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IN THE

Supreme Court of the United States

No.

RICHARD W. DAVIS and J. W. CLEMENTS, *Petitioners,*

v.

THE BUCK-JACKSON CORPORATION and H. L. BUCK, JR. and A. E. JACKSON, JR., d/b/a BUCK & JACKSON, *Respondents.*

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FOURTH CIRCUIT

To the Honorable The Chief Justice of the United States and the Associate Justices of the Supreme Court of the United States:

Your Petitioners, Richard W. Davis and J. W. Clements, respectfully pray for a writ of certiorari to the United States Court of Appeals for the Fourth Circuit, to review a judgment of that Court.

A transcript of the record, including the proceedings in the Court of Appeals, so far as applicable to the questions herein presented, is furnished herewith, in accordance with the rules of this Court.

SUMMARY AND SHORT STATEMENT OF THE MATTER INVOLVED

The Petitioner, R. W. Davis, is the patentee to whom Letters Patent, No. 2,176,622, were granted on October 17, 1939, for Carpet Golf Course. An exclusive license was issued by Davis to the Petitioner, J. W. Clements, for Myrtle Beach, South Carolina.

This action was instituted by the Petitioners in the United States District Court for the Eastern District of South Carolina (where Myrtle Beach is located), to restrain the Respondents from operating a carpet golf course in infringement of said patent.

The Answer of the Defendants denied the validity of the patent in suit and denied that the Defendants have infringed this patent.

The Defendant, A. E. Jackson, Jr., is a licensee under the Davis patent, No. 2,176,622, having an exclusive license for a limited field of use in Dare County, North Carolina. He is also the holder of a license (jointly with a Mr. Troy) for Morehead City, North Carolina.

Both of these licenses to the Defendant, A. E. Jackson, Jr., are currently in effect, and the said Defendant is enjoying benefits therefrom. Both such licenses cover the entire invention and subject matter of the Davis patent for the life of that patent.

On an interlocutory motion to strike the portion of Defendants' Answer alleging invalidity of the Davis patent, on the ground that the Defendant, A. E. Jackson, Jr., is estopped by his licenses from contesting the validity of this patent, and the other Defendants are in privity with him, the District Court held that these being licenses of limited scope, and the suit being for infringement, there is no estoppel now in effect as to the presently accused golf course.

The District Court, after trial, dismissed the complaint on the ground that the Davis patent is invalid.

On appeal, these respective judgments were affirmed by the Court of Appeals for the Fourth Circuit.

This Court has held that ordinarily a licensee is estopped to contest the validity of the patent under which the license is granted. *United States* v. *Harvey Steel Co.*, 196 U.S. 310.

In *Indiana Manufacturing Co.* v. *Nichols & Shepard Co.* (C.C. Mich.), 190 Fed. 579, 584, the Court ruled that a license for a limited field does not create an estoppel when the licensee is operating outside that field.

A contrary view was announced by the Court of Appeals for the Seventh Circuit in *Sinko Tool & Mfg. Co.* v. *Casco Products Corp.*, 89 F. (2d) 916, 32 USPQ 618.

The Court of Appeals below followed the rule in *Indiana Mfg. Co.* v. *Nichols & Shepard Co., supra.* It attempted to distinguish the decision in *Sinko Tool & Mfg. Co.* v. *Casco Products Corp., supra,* because the latter referred to an expressed agreement, not to contest validity, but this Court has ruled heretofore that an expressed agreement not to contest validity does not affect the question of estoppel. *Edward Katzinger Co.* v. *Chicago Metallic Mfg. Co.*, 329 U.S. 394, 72 USPQ 18; *Scott Paper Co.* v. *Marcallus Mfg. Co.*, 326 U.S. 249, 67 USPQ 193.

This Court has not heretofore decided this precise issue, but because of the importance thereof in the field of patent law, and the apparent conflict between the views of the Fourth and Seventh Circuits, the Court is asked to decide the questions presented herein.

In its decision on patentability, the Court below found merely,

> "* * * that the Davis patent represents an assembly of old elements *taken from prior arts relating to allied types of construction,* and, while undoubtedly a beneficial and successful improvement, does not involve the exercise of inventive faculty." (Italics ours)

The Court failed to give consideration to the requirement for patentability as contained in the patent law. U.S. Code, Title 35, sec. 103.

QUESTIONS PRESENTED

1. Where the license is unlimited in scope and still in effect, and the licensee is enjoying the benefits thereof, is such licensee estopped from contesting the validity of the licensed patent when sued for infringement while operating outside of the field of the license?

2. Is the patent law satisfied, as a condition for holding a patent invalid for nonpatentability, by a conclusion that the patent is an assembly of old elements taken from prior arts relating to allied types of construction, where there is no finding that it would be obvious to a person having ordinary skill in the art to which said subject matter pertains?

3. Is the Davis patent, No. 2,173,622, for Carpet Golf Course, invalid for lack of invention?

JURISDICTION

The statutory provision believed to sustain the jurisdiction of this Court is United States Code, Title 28, Section 1254(1).

Jurisdiction is also indicated by Rule 38, Section 5(b) of this Court, as follows:

> "Where a circuit court of appeals has rendered a decision in conflict with the decision of another circuit court of appeals on the same matter; * * * or has decided an important question of federal law which has not been, but should be, settled by this court; * * *"

The date of the decision of the Court of Appeals is February 8, 1956. The mandate of the Court of Appeals has been stayed until April 9, 1956, and thereafter until decision of this Court on condition that the petition for a writ of certiorari is filed herein before that date.

Cases in which this Court has granted certiorari to resolve conflict as between different Circuits on the same question are: *Stelos Co.* v. *Hosiery Motor-Mend Corp.*, 295 U.S. 237, 238; *Universal Oil Products Co.* v. *Globe Oil & Refining Co.*, 322 U.S. 471, 472; *General Electric Co.* v. *Jewel Incandescent Lamp Co.*, 326 U.S. 242, 243.

Cases in which this Court has granted certiorari because of important questions of Federal patent law has not been, but should be, settled by this Court, are: *Automatic Radio Manufacturing Co. Inc.* v. *Hazeltine Research Inc.*, 339 U.S. 827; *Scott Paper Company* v. *Marcallus Mfg. Co.*, 326 U.S. 249; *Sola Electric Co.* v. *Jefferson Electric Co.*, 317 U.S. 173.

REASONS RELIED UPON FOR ALLOWANCE OF THE WRIT

The Court of Appeals herein has decided the issue of estoppel contrary to the decision of this Court in *United States* v. *Harvey Steel Co.*, 196 U.S. 310.

The attempt to distinguish the ruling in this case from the aforesaid decision of this Court, is believed to be unjustified and contrary to an expressed decision of the Court of Appeals for the Seventh Circuit in *Sinko Tool & Mfg. Co.* v. *Casco Products Corp.*, 89 F. (2d) 916.

With respect to the validity of the Davis patent, the Court herein failed to give full effect and credit to the patent law (U.S. Code, Title 35, sec. 103), and to important decisions of this Court as to patentability, according to *Goodyear Tire & Rubber Co., Inc.* v. *Ray-O-Vac Company*, 321 U.S. 275, and *Diamond Rubber Co.* v. *Consolidated Rubber Tire Co.*, 220 U.S. 428, 435.

Wherefore, your Petitioners respectfully pray that a writ of certiorari be issued out of and under the seal of this Court, directed to the United States Court of Appeals for the Fourth Circuit, commanding such Court to certify and send to this Court on a day to be designated, a full transcript of the record and of all proceedings of the Court of Appeals had in this action, to the end that this action may be reviewed and determined by this Court; that the judgment of the Court of Appeals be reversed; and that Petitioners be granted such other and further relief as may seem proper.

OPINIONS OF COURTS BELOW

The order of the District Court on the issue of estoppel is in the Appellant's Appendix, page 2, and the opinion on the issue of patentability is in Appellant's Appendix, page 7. The opinion of the Court of Appeals for the Fourth Circuit is in the transcript, and is reported at 108 USPQ 281. (See Appendix to this Petition.)

QUESTION OF ESTOPPEL

This Court has recognized consistently the general rule that a licensee is estopped to contest the validity of a patent under which he holds a license. *United States* v. *Harvey Steel Co.*, 196 U.S. 310. This rule was reiterated and recognized by this Court in *Automatic Radio Manufacturing Co., Inc.* v. *Hazeltine Research, Inc.*, 339 U.S. 827, 85 USPQ 378.

While the Court has had occasion many times to consider the issue of estoppel to challenge the validity of a licensed patent, most such instances have involved questions of anti-trust violation, as in *Sola Electric Co.* v. *Jefferson Electric Co.*, 317 U.S. 173, 55 USPQ 379; *Edward Katzinger Co.* v. *Chicago Metallic Mfg. Co.*, 329 U.S. 394, 72 USPQ 18; *MacGregor, Inc.* v. *Westinghouse Electric & Manufacturing Co.* 329 U.S. 402, 72 USPQ 21.

The Court has in those cases made exceptions to the general rule of estoppel to challenge the validity of a licensed patent, but the Court has not heretofore ruled that a licensee to a patent has the right to go outside of the license field and challenge the validity thereof. There would seem to be as much reason to uphold the

rule of estoppel in such case as this Court has recognized with respect to an assignor of a patent.

See *Westinghouse Electric & Mfg. Co.* v. *Formica Insulation Co.*, 266 U.S. 342, 349:

> "... an assignor of a patent right is estopped to attack the utility, novelty or validity of a patented invention which he has assigned or granted as against any one claiming the right under his assignment or grant. As to the rest of the world, the patent may have no efficacy and create no right of monopoly; but the assignor can not be heard to question the right of his assignee to exclude him from its use. Curran v. Burdsall, 20 F. 835; Ball & Socket Fastener Co. v. Ball Glove Fastening Co., 58 F. 818; Woodward v. Boston Lasting Machine Co., 60 F. 283, 284; Babcock v. Clarkson, 63 F. 607; Noonan v. Chester Park Athletic Co., 99 F. 90, 91."

The Defendant, of course, has a right to repudiate the license and then he would be free to challenge the validity of the licensed patent without any question of estoppel. This the respondent has not done; but he continues to enjoy the benefits therefrom, while seeking to tear down and destroy this same patent in the present suit.

The Court of Appeals below referred to and relied upon the decision in *Indiana Mfg. Co.* v. *Nichols & Shepard Co.*, (C.C. Mich.), 190 F. 579, 584. That case arose under the old rules and practice where the Defendant had been a licensee, was sued for patent infringement, and filed a demurrer. It appears that the license had been terminated at the time of the suit, whereby there could have been no estoppel.

This was the view of that case as confirmed by the Court of Appeals for the Seventh Circuit in *Sinko Tool & Manufacturing Co.* v. *Casco Products Corp.*, 89 F. (2d) 916, 32 USPQ 618, 620-621:

> "In Indiana Mfg. Co. v. Shepard Co., 190 Fed. 579, there was no trial. It was there said that the defendant had a license non-exclusive in character and that he was to pay royalties and comply with other conditions. The defendant had repudiated the license; quite properly, therefore, he could attack the validity of the patent, and the question was what could be done against him as an infringer. Judge Denison's real estate analogy does not seem applicable to the present case. A landlord claiming title to lots 1, 2 and 3, and leasing to a tenant lots 1 and 2, may not invoke his lease as an estoppel against the tenant entering upon lot 3. But appellant was not a limited licensee of a part of what was owned by the licensor. It was a licensee of all of what was owned by the patentee with a limitation only upon the field of sales. The analogy would exist in case of license of certain claims and not of others. Under such a situation there would be no estoppel to deny the validity as to the claims not licensed."

The license in the *Sinko Tool & Mfg. Co.* v. *Casco Products Corp., supra,* like the licenses to the respondent, was for a limited field. The Court there considered the same decisions as are cited by the Courts below but held them not applicable where the license,

> "is one of unlimited scope granting the enjoyment of all the inventions of the patents. It is entirely proper that, as a part of the consideration for the grant of such an unlimited scope, appellee should exact a covenant that no sales of licensed article should be made in an excluded field. When the field is invaded by the licensee, he is

greeted by an estoppel of his own creation and by his covenant recognizing the same."

The Court of Appeals below attempted to distinguish the latter decision by reason of an agreement not to contest the validity of the patent. This Court has ruled heretofore that the issue of estoppel is not affected by an agreement not to contest the validity of the patent. *Sola Electric Co.* v. *Jefferson Electric Co.*, 317 U.S. 173.

Consequently, the distinction sought to be made by the Court of Appeals leaves its decision in conflict with the view of the Court of Appeals for the Seventh Circuit, in which an estoppel was applied in analogous circumstances.

This is a matter of great importance. The Court should review the rule of estoppel to determine whether the exceptions indicated in recent decisions of this Court should extend to limited scope licenses as herein involved.

Davis Patent, No. 2,178,822

This is a carpet golf course (see last patent bound in Appellant's Appendix). The patented invention was described by the District Court as characteristic of the average miniature golf course consisting of nine or eighteen holes simulating a golf course but laid out on a small piece of land. Players walk upon the course and seek to project the ball over the carpet surface into a cup (Appellant's Transcript, page 7).

The embodiment of the invention, as illustrated in the Davis patent, comprises a mold frame, shown at 2 in Fig. 1, which is described as "set up in the ground of any selected shape." The mold frame 2 extends

above the level of the ground to facilitate drainage, enabling the water to run off.

The mold frame 2 is filled with concrete to the top surface thereof to form a solid base 3, struck off level with the top of the mold frame 2 to form a flat playing surface. A carpet covering is shown at 5 extending over the entire top surface of the base and overlapping the upper edges of the mold frame 2. This carpet covering may be secured in place by nailing, as indicated at 6 in Fig. 2, or by cementing, as described in the patent.

A guard rail is provided around the course, as indicated at 8, to prevent the ball from rolling off the surface. This guard rail also serves as a supplementary fastening for the carpet, by reason of having a connection with the lateral margins of the carpet.

This is precisely the structure used by the Respondents in their identical carpet golf course.

As required by the Patent Statute (U.S. Code, Title 35, sec. 112), the patentee particularly pointed out and distinctly claimed the subject matter which he regarded as his invention. This Court has stated many times that the invention as a whole should be taken into consideration in determining the question of patentability. *Diamond Rubber* v. *Consolidated Rubber Tire Co.*, 220 U.S. 428, 435; *Goodyear Tire & Rubber Co., Inc.* v. *Ray-O-Vac Co.*, 321 U.S. 275, 60 USPQ 386, 388.

When the New Patent Statute was enacted in 1952, codifying the patent laws, Section 103 thereof was as follows:

> "A patent may not be obtained though the invention is not identically disclosed or described

> as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made."

It has been stated that this provision of the Statute permits a somewhat more liberal application of the standard of invention than has prevailed in many decisions heretofore and restricts it to the standard heretofore recognized in the Courts. *Gentzel et al* v. *Manning, Maxwell & Moore, Inc.* (C.A. 2) (decided March 1, 1956), 108 USPQ 353, 354:

> "The somewhat more lenient standard of patentability expressed in Lyon v. Bausch & Lomb Optical Co., 2 Cir., 224 F. 2d 530, 106 USPQ 1, as required by the recently enacted statute, 35 U.S.C. § 103, ..."

Here neither the District Court nor the Court of Appeals has determined whether the subject matter of the Davis patent would have been obvious to a person having ordinary skill in the art of carpet golf courses, which is the subject matter to which the patent pertains. From the prior patents referred to and relied upon by the Court below, it is apparent that those cited for the assembly of old elements, contemplated by the District Judge's opinion, do not involve the art—the same subject matter—to which the Davis patent pertains, as specified in the Statute.

The principal patent relied upon in the opinion of the District Court is King, British patent No. 28,007

(following page 50 of Appellant's Appendix). This does not relate to a carpet golf course. His device is merely a tee mat for a driving range, constructed in two sections, four feet square. Neither of these is comparable to the Davis carpet golf course. The ball is played from it, not on it.

King does not have a carpet, as such. It has a cocoanut mat, but this does not extend over the top edge of the marginal frame A. There is no surmounted guard rail to hold the edge of a carpet in place.

The Court of Appeals appears to have misinterpreted the opinion of the District Judge in quoting as a finding by the District Judge the first part of the statement attributed to him with reference to King, which statement appears on page 13 of Appellant's Appendix as a part of the District Court's opinion. It is quoted from the Examiner in the Patent Office and had reference to some other claims than those of the patent. It is not given as a finding of the District Court and, inasmuch as the Court of Appeals seems to have fallen into error in assuming such a holding by the District Court, it is apparent that there was no such finding with respect to the King patent.

The King patent is not in the art to which the Davis patent pertains. His device did not involve a comparable structure to that of Davis, with no suggestion of how to solve the problems encountered in carpet golf courses (*Goodyear Tire & Rubber Co., Inc.* v. *Ray-O-Vac Co.*, 321 U.S. 275, 60 USPQ 386, 388).

The same is true with respect to the other patent relied upon by the District Court, Malloy, No. 1,625,265. The Court recognized that this patent is in a different art. (Appellant's Appendix, p. 15). The King pat-

ent being a tee mat for a driving range (size 4 x 4 feet) and the Malloy patent being a table with eight pockets, played with a billiard ball, would show no analogy to a Carpet Golf Course.

Under these circumstances, it is not enough to find that a patented device is made up of an assembly of old elements, taken from prior arts relating to other types of constructions. This Court has many times in prior decisions affirmed that a new assembly of old elements may constitute a patentable invention.

To overcome the presumption of validity which the Patent Statute prescribes (U.S. Code, Title 35, Sec. 282), the Court should find that the subject matter of the patent would be obvious at the time of the invention to persons having ordinary skill in the same art to which the patented invention pertains.

This Court should review the explicit requirement of the Statute, for a finding of patent invalidity.

J. PRESTON SWECKER
Attorney for Petitioners

Of Counsel:
JOHN B. MCCUTCHEON
WILLIAM L. MATHIS
Washington, D. C.
April 9, 1956

APPENDIX

APPENDIX

APPENDIX

UNITED STATES COURT OF APPEALS
FOR THE FOURTH CIRCUIT

No. 7124.

Richard W. Davis and J. W. Clements,
Appellants and Cross-Appellees,

versus

The Buck-Jackson Corporation and H. L. Buck, Jr., and A. E. Jackson, Jr., d/b/a Buck and Jackson,
Appellees and Cross-Appellants.

CROSS-APPEALS FROM THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF SOUTH CAROLINA, AT FLORENCE.

(Argued January 13, 1956. Decided February 8, 1956).

Before PARKER, Chief Judge, and SOPER and DOBIE, Circuit Judges.

J. Preston Swecker (John B. McCutcheon and William L. Mathis on brief) for Appellants and Cross-Appellees, and John H. Lewis, Jr., (Harvey B. Jacobson and Franklin G. Burroughs on brief) for Appellees and Cross-Appellants.

SOPER, Circuit Judge:

This appeal was taken from a judgment dismissing a suit for the infringement of United States Patent No. 2,176,622

relating to a miniature carpet golf course in which each hole is constructed on a rigid solid base consisting of a filling set in a boundary mold frame flush with the top thereof, and a characteristic carpet covering the base and extending on to the top edge of the frame. The marginal portion of the carpet is fastened directly to the top of the frame and a separate guard rail is secured to the frame on top of the marginal part of the carpet and serves as a supplemental fastening for the carpet.

The two questions for decision are: (1) whether the defendants, who are charged with infringing the patent at Myrtle Beach, Horry County, South Carolina, are estopped from contesting the validity thereof by taking a license from the owner of the patent to use the device in Dare County, North Carolina; and (2) whether the patent is invalid for lack of invention.

We think that the District Court was correct in deciding the first question against the plaintiffs for the reasons stated in the opinion of Judge Williams in the District Court. We held in *Tate* v. *Balto. & Ohio R. Co.*, 4 Cir., 229 Fed. 141, that a licensee is not estopped to deny the validity of a patent when the license is at an end, whether by reason of the expiration of time or the completion of the number of patented articles for which it is provided, because there is no longer any contract relation. The same principle as applied to a license limited as to area was enunciated by Judge Dennison in *Indiana Mfg. Co.* v. *Nichols & Shepard Co.*, C.C.E.D. Mich, S.D., 190 Fed. 579, 584, as follows.

> "• • • if the complainant had licensed defendant to manufacture and sell machines in Indiana, but not elsewhere, and had then learned that the defendant was manufacturing and selling in Michigan, it might, and probably would, file an ordinary, plain infringement bill. Such a license could not then be urged by defendant as any defense, because it would not be pertinent to the act complained of; and so it would seem that, in

such a bill, complainant could take nothing whatever from the existence of the license. It would be substantially accurate to say that the license did not exist in Michigan.

"The estoppel must be mutual. The licensee may not deny the patentee's title to the monopoly; the patentee may not deny the licensee's right to act under that monopoly. It is difficult to see how, when the act involved is the manufacture of a certain machine, at a specified place or in a specified way, and both complainant and defendant agree that there is no contract in existence permitting the act in controversy, either party can be estopped by a contract relating to something else.

" * * * It seem to me quite clear that the complaining patentee cannot, at the same time, maintain the position that the act of the defendant ilcensee, manufacturing what is said to be the patented article, is outside the conditions of the license, and, therefore not authorized by the license, and also the position that his title to the monopoly is conceded by the license and, therefore, cannot be disputed."

See also *Chance* v. *Leigh Nav. Coal Co.*, D.C.E.D. Pa., 25 F. Supp. 532, affirmed 3 Cir., 107 F.2d 1009; *International Burr Corp.* v. *Wood Grinding Service*, 2 Cir., 34 F.2d 905; *T. H. Symington Co.* v. *Nat'l Malleable Castings Co.* D.C.N.D. Ill., E.D., 257 Fed. 564; *DeCew* v. *Union Bag & Paper Corp.*, D.C.N.J., 57 F. Supp. 388.

The decision in *Sinko Tool & Mfg. Co.* v. *Casco Products Corp.*, 7 Cir., 89 F.2d 916 is not at variance with these decisions. The defendant was operating under a license limited to the manufacture of a particular class of articles and expressly agreed not to contest the validity of the patents as shown by the following quotation from the opinion: (p. 918)

"'For the purpose of the agreement,' appellant agreed that it would take no steps or proceedings contesting the validity of the patents. Inasmuch as the purpose was to grant all of the inventions to appellant for the accessory trade and to restrain it from entering the standard equipment trade with the same mechanism, it must have been the intent of the covenants to bind appellant to estoppel equally as to both sorts of equipment."

We are also of the opinion that the patent was lacking in patentable invention for the reasons stated in the opinion of Judge Hoffman in the District Court. As shown in that opinion, the British patent to King, 28,007, disclosed:

"a device having a concrete base, a rail forming a mold for the base and a carpet-like member secured to the rail through its extent. The upper portion of the rail A of King could be separated from the lower portion if desired. Such separate rail, if placed on the carpet portion, would have only an obvious result and that would be a clamping or holding action.

• • • • • • • • •

"• • • It is obvious that the King patent covers all of the features of plaintiff's patent with the possible exception of (1) a separate guard rail, and (2) securing the guard rail on top of the marginal portion of the carpet, thus permitting the guard rail to serve as a supplemental fastening for the carpet.

"The use of a guard rail on a miniature golf course was not novel with Davis. Design Patent No. 83,499 issued to Carter on March 3, 1931, provided for same. Malloy, No. 1,625,265, while having many of the features of a game of billiards, contains a 'surrounding ball cushioning wall' similar to the guards on a billiard table. Inman, No. 1,952,624 provided for a rebounding wall or rail to such an extent that the ball 'is sub-

stantially prevented from leaving or bouncing upon the playing floor or surface.' It is abundantly clear to this Court that plaintiffs' claim of novelty in the guard rail is without merit.

"It is true that, except in Malloy, a separate guard rail is not provided and does not serve as a supplemental fastener for the covering or carpet. The Malloy patent was not cited as a reference by the Examiner on the Davis patent. If there is any invention in the Davis patent, it lies in this feature. While the Malloy patent has apparently not received commercial acceptance, this is largely immaterial to a final determination of this case. The separate guard rail in Malloy is undoubtedly more complex in construction than that in Davis, but it certainly serves as a supplemental fastener to the felt or fabric covering.

"The remaining features of the Davis patent are so clearly covered by prior arts that it is unnecessary to discuss them in this opinion.

"It is the conclusion of this Court that the Davis patent represents an assembly of old elements taken from prior arts relating to allied types of construction and, while undoubtedly a beneficial and successful improvement, does not involve the exercise of inventive faculty; thus the patent is invalid. *Interstate Rubber Products Corp.* v. *Radiator Specialty Co., Inc.*, 4 Cir., 214 F.2d 546."

The judgment of the District Court is

affirmed.

No. 840

Supreme Court, U.S.
FILED
APR 9 1956
HAROLD B. WILLEY, Clerk

IN THE

United States Court of Appeals

FOR THE FOURTH CIRCUIT

Appeal

No. 7124

RICHARD W. DAVIS, ET AL., *Appellants*

v.

THE BUCK-JACKSON CORPORATION, ET AL., *Appellees*

+ appendix

BRIEF FOR APPELLEES

FILED

JAN 4 - 1956

E. M. F. WILLIAMS, JR.
CLERK

HARVEY B. JACOBSON AND
JOHN H. LEWIS, JR.
1406 G Street, N. W.
Washington 5, D. C.,
Attorneys for Appellees

Of Counsel:

FRANKLIN G. BURROUGHS,
Conway, South Carolina

PRESS OF BYRON S. ADAMS, WASHINGTON, D. C.

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IN THE

United States Court of Appeals

FOR THE FOURTH CIRCUIT

Appeal
No. 7124

RICHARD W. DAVIS, ET AL., *Appellants*

v.

THE BUCK-JACKSON CORPORATION, ET AL., *Appellees*

BRIEF FOR APPELLEES

STATEMENT OF THE CASE AND THE POINTS INVOLVED

This is an appeal from the Final Decree of the United States District Court for the Eastern District of South Carolina, Florence Division, entered October 24, 1955. The case involves an action against Appellees alleging infringement of U. S. Patent No. 2,176,622 issued to Appellant Richard W. Davis on October 17, 1939, which patent will expire on October 17, 1956.

Appellant J. W. Clements who joined with Mr. Davis in the action was granted an exclusive license under the Davis patent for Horry County, South Carolina, which includes Myrtle Beach.

In the Complaint, Appellants contended that a miniature golf course, constructed and operated by Appellees as a part of their amusement properties at Myrtle Beach, constitutes an infringement of the Davis patent. In the Answer, Appellees relied upon the defense of non-infringement of the Davis patent, and the invalidity of that patent in view of prior art patents identified in the Answer.

Prior to the trial, Appellants moved to strike the defense of invalidity of the Davis patent on the ground that Appellees were estopped to rely upon that defense because Appellee, A. D. Jackson, Jr., held a territorial license under the Davis patent for Dare County, North Carolina. A hearing was had on the motion before the Honorable Ashton H. Williams, United States District Judge, who held that Appellees were not estopped to contest the validity of the Davis patent.

The case was tried before the Honorable Walter E. Hoffmann, United States District Judge (under Designation) upon the pleadings, exhibits, evidence presented in open court, and argument of counsel. Judge Hoffmann rendered an Opinion and ordered the entry of a Final Decree holding that the Davis patent was invalid and also that Appellants had failed to establish any act of infringement on the part of Appellees.

In the Opinion, Judge Hoffmann held that Appellees were not entitled to recover reasonable attorneys' fees incurred in defense of the action. Appellees filed a cross-appeal with respect to the ruling of Judge Hoffmann that they are not entitled to recover reasonable attorneys' fees. However, Appellees do not wish to press the cross-appeal.

The points involved in this appeal are:

1. Whether or not the District Court erred in holding that Appellees were not estopped to contest the validity of the Davis patent.

2. Whether or not the District Court erred in holding that the Davis patent was invalid in view of the teachings of the prior art patents introduced in evidence by Appellees at the trial.

3. Whether or not the District Court erred in holding that Appellants failed to establish any act of infringement of the Davis patent on the part of the Appellees.

STATEMENT OF THE FACTS

Appellees are not in complete agreement with the statement of facts in the briéf of Appellants. Appellees do not agree with the statement on page 3 of the brief of Appellants that "* * * Mr. Jackson, jointly with a Mr. Troy, has a license under the same patent for constructing and operating a golf course at Morehead City, North Carolina." In the transcript of evidence, page 19, lines 6 and 7, Mr. Jackson was called as a witness by the Plaintiffs below and, in answer to a question by counsel for Plaintiffs as to whether he had a license under the Davis patent at Morehead City, made the uncontroverted statement that Mr. B. E. Troy had the license and built the golf course there. Further, on cross-examination by counsel for Defendants, Mr. Jackson testified that the license was granted to Mr. Troy personally (Tr. Rec. 19).

Also, in the statement of facts on page 3 of their brief, Appellants state that the license for Dare County and the license for Morehead City are "owned by Defendant, are currently in effect, and the said Defendant is enjoying benefits therefrom". As to Morehead City, the fact is that Mr. Jackson does not own the license and therefore does not enjoy any of the benefits of such ownership. As to the Dare County license, Mr. Jackson testified that he had sold the license to Jerry Sidner, (Tr. Rec. 17) and that he had no knowledge as to whether a miniature golf course was ever constructed under the license he obtained from Mr. Davis for Dare County, North Carolina (Tr. Rec. 16).

LAW AND ARGUMENT

Question of Estoppel

Assuming that Appellee, A. D. Jackson, Jr., is the owner of an exclusive license under the Davis patent for Dare County, it is clear that the District Court properly held that Appellees are not estopped to contest the validity of the Davis patent. Appellees agree with the statement in the brief of Appellants that there has been no decision in the Fourth Circuit on the precise question as to whether the owner of a license under a patent for a specified territory is estopped to contest the validity of such patent when charged with acts of infringement committed outside the territory covered by license. However, it is quite clear that the District Court, based upon decisions in other circuits on the point, correctly held that Appellees may contest the validity of the patent in suit. The estoppel peculiar to a license agreement is coextensive only with the mutual rights of the parties as set forth in their agreement and should not be extended, by limitation or otherwise, beyond the limits fixed by their agreement. *Indiana Manufacturing Co.* v. *Nichols & Shepard Co.* (C.C.A. 6) 190 Fed. 579; *Chance* v. *Lehigh Navigation Coal Company* (D.C. Pa.) 25 Fed. Supp. 532, aff'd. (C.C.A. 3) 107 F. (2d) 1009; *International Burr Corp.* v. *Wood Grinding Service* (C.C.A. 2) 34 F. (2d) 905; *De Cew* v. *Union Bag & Paper Corporation* (D.C. N.J.) 57, Fed. Supp. 388.

In *Tate* v. *Baltimore & Ohio Railway Company,* 229 Fed. 141, the Fourth Circuit recognized and applied the rule that the estoppel of the licensee cannot be extended beyond the terms of the license agreement. In that case, the defendant was licensed by the plaintiff to use the patented device on 48 locomotives. When the defendant used the patented device on more than 48 locomotives, the plaintiff sued for patent infringement and the question arose as to whether the defendant could contest the validity of the patent. The court held that since the license ceased to

exist after the defendant had used 48 of the patented devices on its locomotives, the defendant was not estopped to contest the validity of the patent, because the contractual relationship ceased to exist, and particularly because a patentee, by suing for infringement instead of for royalties on the contract, repudiates the license. It is the contention of appellees that whether there is a geographical limit in a license or a limitation as to quantity, there is no essential difference inasmuch as no contractual relationship involving mutual rights exists beyond the terms of the license agreement.

The precise point involved herein was decided in *De Cew* v. *Union Bag & Paper Corporation, supra,* which case involved a license of several patented inventions by the defendant on its paper machines in its mills in Hudson Falls, New York. The suit for infringement was based upon acts of infringement committed by the defendant in its mills in Savannah, Georgia. The court, citing *Tate* v. *Baltimore & Ohio Railway Company, supra,* held that the defendant was not estopped to contest the validity of the patents in suit and stated that:

> "• • • The only use of the invention, of which the plaintiff complains, was the use by the defendant in its mills at Savannah, Georgia. This use is the sole basis of the present action. It is alleged in the complaint, and sustained by the undisputed testimony, that this use of the invention was not within the purview of the license agreement. It would seem to follow that under these circumstances, and under the settled law, the estoppel cannot be invoked against the defendant to bar an otherwise available lawful defense. • • •."

In *Chance* v. *Lehigh Navigation Coal Company, supra,* also directly in point, the plaintiff attempted to invoke estoppel against the defendant by virtue of a license agreement under which the defendant was licensed to use the patents involved at a particular colliery owned by the

defendant. The suit for infringement was for use of the licensed patents by the defendant at collieries other than the one specified in the agreement. The court held that the defendant was not estopped to contest the validity of the patents under the circumstances, citing, among other decisions, *Tate* v. *Baltimore & Ohio Railway Company, supra,* and *Indiana Manufacturing Company* v. *Nichols & Shephard, supra.*

In their brief, appellants contend that the decision in *Sinko Tool & Mfg. Co.* v. *Casco Products Corp.,* 89 F. (2d) 916, is more in point. However, this case, which was decided in the Seventh Circuit did not involve a license limited to a specific territory. Moreover, the license agreement contained an express provision that the licensee would not contest the validity of the patent, and the court referred to that provision as a factor distinguishing the case from *Indiana Manufacturing Co.* v. *Nichols & Shepard Co., supra.* In the case at bar, the license agreement (Pl's Ex. 5) contains no provision whereby the licensee agrees not to contest the validity of the Davis patent.

Accordingly, it is clear that the District Court was not in error in permitting Appellees to contest the validity of the Davis patent.

Invalidity of the Davis Patent

The golf course described and illustrated in the Davis patent (Pl's Ex. 7) comprises a mold frame designated by the numeral 2 in the drawing. The mold frame is filled with concrete or other material that will harden to form a rigid base 3. The base is provided with a ball cup 4. A carpet 5 is provided to cover the top surface of the base, this surface being flush with the upper edges of the mold frame. The carpet extends to the outer marginal edges of the mold frame by fasteners 6. There is an opening 7 which registers with the cup 4 in the base. A railing or guard rail 8 is secured to the mold frame on top of the

attached marginal portion of the carpet and rests upon such portion. The guard rail serves to prevent a ball from rolling off the playing surface of the golf course.

The single claim of the Davis patent is: (For the purpose of better understanding of the various elements thereof, the claim has been broken down under letter designation.)

A. A golf course construction comprising a rigid, solid base including a boundary mold frame and a filling flush with the top edge portion of the frame,

B. a characteristic carpet covering the top face of the base and extending marginally onto the top edge portion of the mold frame,

C. said marginal portion of the carpet being fastened directly to the top of the mold frame,

D. and a separate guard rail secured to said mold frame on top of the attached marginal portion of the carpet and functioning as a supplemental fastening for the carpet.

The following prior art was introduced in evidence (Def's Ex. D) at the trial in support of the defenses of non-infringement and the invalidity of the Davis patent:

A. (Patents cited by the Patent Office Examiner during the prosecution of the Davis application)

Meyer	U. S. Pat. No.	1,591,095
Angell	U. S. Pat. No.	1,582,237
Carter	U. S. Pat. No. Des.	83,499
Jackson	U. S. Pat. No.	1,612,291
King, Et Al.	British Pat. No.	28,007 of 1912
Taylor	U. S. Pat. No.	720,191

B. (Patents *not* cited by the Patent Office Examiner during the prosecution of the Davis application)

Inman, Et Al.	U. S. Pat. No.	1,952,624
Malloy	U. S. Pat. No.	1,625,265
Smith	U. S. Pat. No.	1,822,244
Valvano	U. S. Pat. No. Des.	84,224
Tramill	British Pat. No.	385,362 of 1931
Mannin	British Pat. No.	357,333 of 1931

Infringement is the unauthorized making, using and selling for practical use of an invention covered by a valid claim of a patent during the life of a patent. *69 C.J.S. p. 842* Therefore, unless the subject matter defined by the claim of the Davis patent was patentable at the time his application for patent was filed in the Patent Office, the claim is not valid. In order to be patentable, any patent claim must define subject matter which is novel, useful and the result of the exercise of inventive faculties. To be novel within the meaning of the patent law, the subject matter defined by a claim must be different from anything found in the prior art. *69 C.J.S. p. 191* If the prior art discloses subject matter substantially identical with the subject matter defined by a claim of a patent, such claim is invalid. *69 C.J.S. p. 193* The identity taught by the prior art need extend no further than the subject matter recited in the claim under consideration. *McClain* v. *Ortmayer,* 131 U.S. 419; 35 L. Ed. 860; 12 S. Ct. 86.

Novelty alone will not sustain the validity of a claim of a patent. The subject matter claimed must also be inventive. In *Pearson Sanding Mach. Co.* v. *Williams Furniture Co.,* (C.C.A. 4) 132 F. 2d 55, 58, this Court referred to that principle in the following language:

> "Even more trenchant is the language of Mr. Justice Douglas in the recent case of Cuno Engineering Corporation v. Automatic Devices Corporation: 'Under the statute * * * the device must not only be "new and useful", it must also be an "invention" or "discovery" * * *. The new device, however useful it may be, must reveal the flash of creative genius not merely the skill of the calling. If it fails, it has not established its right to a private grant on the public domain * * *. Strict application of that test is necessary lest in the constant demand for new appliances the heavy hand of tribute be laid on each slight technological advance in the art'."

Appellees contend that the trial judge was fully justified in concluding that the Davis patent is invalid in view of

the teachings of the prior art relied upon by Appellees to establish that defense. The British patent to King, et al., which was cited during the prosecution of the Davis application, teaches every element of the combination defined by the single claim of the Davis patent except the "separate guard rail secured to the mold frame on top of the attached marginal portion of the carpet and functioning as a supplemental fastening for the carpet."

As found by the trial judge, the use of a guard rail, as such, on a miniature golf course was not novel with Davis. Design Patent No. 83,499 issued to Carter disclosed such a guard rail, as did other prior art patents including Malloy and Inman. Further, the patent to Malloy, which was not cited during the prosecution of the Davis application, disclosed every element recited in the claim of the Davis patent, except the requirement that the marginal portions of the recited carpet "be fastened directly to the top of the mold frame". The recited "rigid, solid base" is shown in Figure 2 of Malloy. The "boundary mold frame" is shown in Malloy, being designated by the reference numeral 6. The "filling flush with the top edge portion of the frame" is taught by Malloy, his concrete filling being flush with the top of the mold frame 6. The "characteristic carpet covering the top face of the base and extending marginally onto the top edge portion of the mold frame" is taught by Malloy, being designated by the numeral 3, which element extends across the concrete base and the top edge portion of the mold frame. The "separate guard rail secured to said mold frame on top of the carpet and functioning as a supplemental fastening for the carpet" is taught by Malloy, the guard rail being designated by the numeral 12. There can be no doubt that the guard rail of Malloy functions as a supplemental fastening for the carpet.

The Malloy patent standing alone renders the claim of the Davis patent invalid. Even though Malloy did

not tack the marginal portions of his carpet directly on top of the mold frame, he tacked it to the sides of the mold frame. Also, inasmuch as Malloy has a guard rail secured to the mold frame on the attached marginal portions of the carpet, the guard rail serving as a supplemental fastener for the carpet, the carpet is, in effect, *fastened to the top of the mold frame,* since the guard rail acts as a supplemental fastener. Certainly, it would not be an act of invention to fasten the Malloy carpet by means of tacks directly to the top of the mold frame, instead of lapping the carpet over the top of the frame and fastening it part way down the outer sides, as taught by Malloy, particularly since King et al. taught a carpet for a concrete base fastened directly on the top of the mold frame for the base.

The patent to Inman, which was not cited by the Patent Office Examiner, taught the use of a guard rail 3 to prevent a ball from rolling off a playing surface 3, as can be best seen in Figure 4 of the drawings of the patent, the playing surface being covered by a yieldable covering 2 of thick felt. The guard rails 3 rest on top of the marginal portions of the covering, serving as a supplemental fastening for the covering.

The British patent to Tramill, which was not cited by the Patent Office Examiner, taught a miniature golf course structure consisting of a base which is covered by a carpet 10. Side members, or guard rails 6, surround the playing surface to prevent a ball from rolling from the playing surface.

The patent to Smith, which was not cited by the Patent Office Examiner, taught a miniature golf course structure which, as can be best seen in Figure 5 of the drawing of such patent, embodies a wooden base 12 covered by a carpet 13. Side frame members 10 extend above the plane of the carpet-covered base and thus serve to prevent a ball from rolling from the playing surface.

The patent to Taylor, which was cited by the Patent Office Examiner during the prosecution of the Davis application, taught a mold frame made up of the foundation board A and sides B. A cement filling C was provided flush with the top edges of the sides B, the cement filling being covered with a pile fabric D.

Every element of the combination recited in the claim of the Davis patent was old, and they performed no new function in the combination recited in that claim. Accordingly, the question as to the validity of the claim of the Davis patent falls squarely within the decision of the U. S. Supreme Court in *Great A. & P. Tea Co.* v. *Supermarket Equipment Corp.*, 340 U.S. 147, 152; 95 L. Ed. 162; 71 S. Ct. 127, in which the court said:

> "Courts should scrutinize combination patent claims with a care proportioned to the difficulty and improbability of finding invention in an assembly of old elements. The function of a patent is to add to the sum of useful knowledge. Patents cannot be sustained when, on the contrary, their effect is to subtract from the resources freely available to skilled artisans. A patent for a combination which only unites old elements with no change in their respective functions, such as is presented here, obviously withdraws what already is known into the field of its monopoly and diminishes the resources available to skillful men. This patentee has added nothing to the total stock of knowledge but has merely brought together segments of the prior art and claims them in congregation as a monopoly."

This Court applied the rule established by the U. S. Supreme Court in the "A. & P." case in *Interstate Rubber Products Corp.* v. *Radiator Specialty Co., Inc.*, (C.C.A. 4) 214 F. (2d) 546 (1954). This Court pointed out that various features of the patented device were found in prior art patents and accordingly held that:

> "This fund of common knowledge was available to all persons interested in the problem, so that the solution, although a beneficial and successful improvement,

did not in our judgment involve the exercise of inventive faculty."

It is apropros to inquire what Davis added to the total stock of knowledge by what he disclosed in his patent application. King taught a cement base surrounded by a mold frame with the top of the base flush with the edge of the mold frame, together with a carpet on the base, the marginal edges of which were fastened to the mold frame. Malloy taught the same elements as King and provided a separate guard rail which served as a supplemental fastener for the Malloy carpet. What did Davis do to add to the already existing knowledge of the art to which his golf course structure relates on which a reward in the form of a patent monopoly would be justified? The answer is obvious to Appellees, as it was to the trial judge. Clearly, the trial judge was not in error.

Non-Infringement

The golf course being used by appellees (Def's Ex. A), which Appellants contend infringes the claim of the Davis patent, comprises a wooden mold frame designated by the numeral 1. The mold frame is filled with concrete 3 flush with the top edge of the frame. Separate guard rails 4 are secured to the outer faces at two sides and one end of the mold frame and serve to prevent a ball from rolling from the playing surface. A carpet of felt 6 (Tr. Rec. 13) covers the concrete base and the mold frame, the carpet being secured to the concrete base by an adhesive material. The guard rails 4 are secured to the outer sides of the mold frame, and are not positioned on the marginal portions of the carpet.

In *Motion Picture Patents Co.* v. *Universal Film Mfg. Co.*, 243 U.S. 502, 510, 67 L. Ed. 871, 37 S. Ct. 416, 417 (1917), the U. S. Supreme Court made the following statement in regard to determining whether or not a patent has been infringed:

> "The scope of every patent is limited to the invention described in the claims contained in it, read in the light of the specification. These so mark where the progress claimed by the patent begins and where it ends that they have been aptly likened to the description of a deed, which sets the bounds to the grant which it contains. It is to the claims of every patent, therefore, that we must turn when we are seeking to determine what the invention is, the exclusive use of which is given to the inventor by the grant provided for by the statute. * * *"

Moreover, it is an undisputed legal principle that there can be no infringement of a claim of a patent unless such claim can be read on what is said to infringe. This Court recognized that principle in *Wire Wheel Corporation of America* v. *Budd Wheel Co.*, (C.C.A. 4—1923) 288 Fed. 308, 311, in which it stated:

> "* * * There is no infringement, unless the claim can be read on what is said to infringe. A claim for a combination is not trespassed upon if one element be omitted. * * *"

Therefore, the only question on this point is whether or not the trial judge properly construed the claim and properly determined that such claim was not infringed by Appellees.

Inasmuch as a patent is a written instrument, there are certain well recognized rules of construction of a patent claim, which the trial judge, assuming the Davis patent to be valid, quite properly followed in determining whether there was an infringement by Appellees of the claim of the Davis patent. One such rule is that a patent claim is to be construed in the light of the specification to which the claim is appended. This rule of construction was recognized and applied in *Bisight Co.* v. *Bifocal Lens Co.*, 259 Fed. 275 (modifying D.C. 1917) *Onepiece Bifocal Lens Co.* v. *Bisight Co.*, 246 Fed. 450, certiorari denied 39 S. Ct. 288, 249 U.S. 606, 63 L. Ed. 799 (1919).

Another rule of construction is that the claims are to be construed in the light of drawings, as well as the specification. *Victor Cooler Door Co.* v. *Jamison Cold Storage Door Co.*, (C.C.A. 4) 44 F. (2d) 288.

A still further well recognized rule of construction of a patent claim is that the claims are to be construed in the light of the history of the patent application which resulted in the patent in suit and a patentee cannot later repudiate any amendment to rejected claims in his application which amendment restricted those claims for the purpose of obtaining his patent. *Roemer* v. *Peddie*, 132 U.S. 313, 10 S. Ct. 98, 33 L. Ed. 282.

In addition, it is a well recognized rule, which has been applied in this circuit, that a patent claim must be construed in the light of the prior art. *Victor Cooler Door Co.* v. *Jamison Cold Storage Door Co., supra.*

Accordingly, in construing the claim of the Davis patent, assuming the claim to be valid, the trial judge quite properly considered the specification, drawings, and file history of the Davis application as well as the prior art cited by the Patent Office Examiner. Such a construction inevitably leads to the conclusion that the claim cannot be infringed if the alleged infringing construction does not embody a separate guard rail secured to the mold frame thereof which is *on top* of the attached marginal portion of the carpet and *functions* as a supplemental fastening for the carpet, as recited in sub-division D of the claim previously quoted in full in this brief. Reading the clear, unambiguous language of the claim, while observing the golf course structure of Appellees as illustrated in Defendants' Exhibits A and B, it is obvious that the guard rail shown therein is not "secured to said mold frame *on top of the attached marginal portion of the carpet and functioning as a supplemental fastener for the carpet.*" (Italics for emphasis.) The guard rail 4 of Appellees' golf course is disposed *outside of the outer marginal edges*

of the felt covering or carpet and positively is not secured to the mold frame 7 *on top* of the attached marginal portion of the carpet. As the trial judge found, the guard rail 4 of Appellees does not serve as a supplemental fastening for the carpet.

In the specification of the Davis patent, column 1, lines 42 through 44, the patentee states:

> "A railing 8 is supported by the mold and *rests upon* the edges of the carpet with the fasteners concealed." (Italics ours.)

The above quotation is the only description of the guard rail in the Davis specification. Since the patents cited by the Patent Office Examiner, particularly the King, et al. patent, showed every element of the allowed claim to be old except "a separate guard rail secured to said mold frame on top of the attached marginal portion of the carpet and functioning as a supplemental fastening for the carpet", it is obvious that this was the point of novelty in the combination which distinguished the Davis structure over *the prior art cited by the Examiner.* In order to obtain allowance of the claim, Davis, in arguing for the allowability thereof, made the following statement appearing on page 14 of Defendants' Exhibit C:

> "By securing the guard rail *on top* of the marginal portion of the carpet, which latter is nailed or otherwise fastened directly to the top of the boundary mold frame, the guard rail functions as a supplemental fastening for the carpet and obviates the necessity for providing finishing strips or beads which would otherwise be required. (Italics for emphasis.)
>
> It is true applicant's invention may be small, but it is the result of ingenuity warranting the allowance of a patent thereon and it is submitted that the sole claim presented herewith should be allowed to afford applicant the protection to which he is entitled, early action to which effect is earnestly solicited."

Certainly, it must be concluded that the claim cannot be construed to cover any structure other than that which Davis described and illustrated in his patent application. In *American Seating Co.* v. *Ideal Seating Co.*, (C.C.A. 6—1941) 124 F. (2d) 70, 72, the court said:

> "It is clear to us, as it was to the District Judge, that in view of the prior art, only a narrow range of equivalents is permitted to fall within the scope of the claims in suit. The essence of the invention lies in the precise retaining means and in their positioning. The Defendants have not appropriated such retaining means and have not similarly positioned those it has employed so that there is no room for the expansion of the claims by construction to bring the defendants' means within their ambit by the doctrine of equivalency."

The trial judge found that appellees had not incorporated the Davis golf course structure as defined in the claim of his patent in their golf course, and there can be no doubt that this finding was free from error.

DISCUSSION OF BRIEF FOR APPELLANTS

Nowhere in their brief have Appellants actually faced up to the principal issue existing in every infringement action which is whether or not the defendant's device falls within the scope of the claim or claims alleged to be infringed. It appears that Appellants wish to avoid the burden they must necessarily bear of showing how the single claim of the Davis patent actually reads on the golf course of Appellees. Rather, it seems that Appellants prefer to describe the structure and function of the Davis golf course and make a general comparison thereof with the golf course of Appellees, particularly emphasizing that they both serve the same purpose and thereby make out a case of patent infringement. Appellants have the burden of clearly proving their contention that the golf course structure of Appellees infringes the claim of the Davis patent. They cannot do so by generalizations.

Appellants must agree that the guard rail 4 of Appellees is not positioned or located *on top of the outer attached marginal edge portion of the carpet,* but they nevertheless contend that the guard rail of Appellees serves as a supplemental fastener by virtue of the adhesive used by Appellees in securing the carpet to the base, seeping out from the edge of the carpet and then adhering to the guard rail, thus causing a bond between the carpet and guard rail, whereby the rail serves as a supplemental fastener for the carpet. However, it is abundantly clear from the evidence adduced at the trial (Tr. Rec. 135-136) that if there is any seepage it is in such small amounts at isolated spots along the entire length of the rail as to have no effect, and it does not cause the guard rail to act as a supplemental fastener for the carpet. If any seepage of the adhesive should occur it would occur *during* the rolling operation. However, as Appellee Jackson testified (Tr. Rec. 135-136), the edges of the carpet are trimmed to fit within the confines of the guard rail *after* the rolling operation. Since the trimming is done with a knife and throughout the entire length of the guard rail, the bond between the carpet edge and the rail caused by *any* adhesive accidentally adhering to the rail would be severed by the knife. Therefore, it is obvious that the golf course of Appellees does not have anything even equivalent to a supplemental fastening for the carpet edges.

On page 21 of their brief, Appellants have erroneously stated that the trial judge found that the structure of Appellees has the edges of the carpet fastened to the guard rails, whereby the guard rails serve as a supplementary fastening, within the terms of the patent claim. On the contrary, the trial judge found that the guard rails in the structure of Appellees *do not* serve as supplemental fastenings for the carpet. In the Opinion, the trial judge stated:

> "In the face of defendants' denial that the cement was used for this purpose, a fair inference from the

evidence would lead to the conclusion that some cement undoubtedly did reach the inside guard rail in the course of spreading same on the top of the concrete, but that this was probably caused by swelling or careless application with no intent on the part of defendants to use the guard rail as a *supplemental fastener in any manner.*" (Italics ours.)

On page 14 of their brief, Appellants intimate that in order to sustain the burden of establishing the invalidity of the Davis patent, Appellees must show that the inventions disclosed in the prior art patents which they have relied upon have been used commercially. This is clearly erroneous, as the trial judge so held. As has been discussed previously in this brief, to be patentable, the subject matter disclosed in a patent application must be novel as compared to the prior art, and it must be the result of the exercise of inventive faculties in view of the teachings of the prior art. Prior art comprises everything previously known to the art through *patents,* publications, or prior public use or practice, as understood by those skilled in the art to which the patent in suit relates. *69 C.J.S. p. 263.* Accordingly, it is unnecessary that one contesting the validity of a patent show that the prior art patents relied upon were ever used. Appellants are merely attempting to inject a self-serving legal theory into this case which is totally foreign to well settled legal principles in the hope that this Court will gain the impression that Appellees have not borne the burden of proof.

As to the presumption that every patent is valid, it is well settled that such a presumption cannot be permitted to stand against pertinent prior art which is introduced in evidence in the trial of a case involving the validity of the patent, but which prior art was not before the Patent Office or was not considered by the Examiner, *69 C.J.S. p. 587.* There is no presumption that the Examiner was aware of the prior art he did not cite, but considered it to be inapplicable. *Nordell* v. *International Filter Co.,*

(C.C.A. 7) 119 F. (2d) 948. Moreover, in *Specialty Equipment & Machine Corp.* v. *Zell Motor Car Co.*, (D.C. Md.) 113 Fed. Supp. 161, which case was reversed by this Court and remanded on other grounds, the Court held that insofar as pertinent prior patents *not cited* by the Patent Office Examiner were concerned, the failure to cite such pertinent patents is an indication that their importance was not recognized by the Examiner, and that such failure helped rebut the prima facie presumption that the patent in suit was valid.

CONCLUSION

1. Since Appellee A. D. Jackson, Jr. never held a license in the territory where Appellees are charged with having committed acts of infringement, and never enjoyed the right of immunity from suit in Horry County, the District Court did not err in holding that Appellees were entitled to contest the validity of the Davis patent.

2. Inasmuch as the inclusion of "a separate guard rail secured to said mold frame on top of the attached marginal portion of the carpet and functioning as a supplemental fastening for the carpet" is the only point of novelty in his disclosure that could have enabled Appellant Davis to obtain allowance of a claim by the Patent Office, in view of the prior art cited by the Patent Office Examiner, and the golf course of Appellees does not embody the same or an equivalent feature, the District Court did not err in finding that the Davis patent is not infringed by Appellees, assuming that the Davis patent is valid.

3. Since the claim of the Davis patent defines a combination lacking in patentable invention in view of the prior art patents relied upon by Appellees, the District Court did not err in holding that the claim of the Davis patent is invalid.

Therefore, the decision of the District Court should be affirmed and this appeal should be dismissed.

Respectfully submitted,

HARVEY B. JACOBSON AND
JOHN H. LEWIS, JR.
1406 G Street, N. W.
Washington 5, D. C.,
Attorneys for Appellees

Of Counsel:

FRANKLIN G. BURROUGHS,
Conway, South Carolina

APPENDIX

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19 A. D. Jackson, Jr.

Cross-Examination

By Mr. Sell:

Q. On this license to Mr. Troy, is that license to Mr. Troy personally? A. Yes, sir.

Q. It is? A. Yes, sir.

Q. And on this license to Myrtle Beach, so far as you know, you never requested a license from Davis for Myrtle Beach? A. I don't recall ever corresponding or having anything with Mr. Davis except writing to him about the Dare County proposition.

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Q. On this license that Mr. Troy got in Morehead City, did you advise him to get that license? A. I advised him not to get it because there wasn't enough protection afforded according to the information that I had at that time.

Q. You mean not enough protection to justify purchasing the license? A. I didn't think there was enough protection to justify the purchase of it, based on the information that I had at that time.

Q. And what did Mr. Troy say to that? A. Well, he is the president and the manager of it and he has powers to do what he wants to. He said, "I'm going to buy it. It's worth that much just to be able to display a patented sign." It would create that much interest in the business, and he said he was going to buy it. So there was nothing for me to do.

Q. Getting back to your construction, when you built your golf course in the first instance, you say you tried one hole wherein you had the carpet fastened to the whole frame? A. Yes.

21

Q. Could you show me where you had that carpet fastened to the mold frame? A. I want to correct

one thing. I don't recall whether it was one or two holes but we had a test. The nail straight down into this—what is this number here?

Q. You have got that. A. It's No. 5, I believe.

Q. One is your mold. A. In the No. 1, yes, sir. Lay her straight down into No. 1.

Q. O.K. Now, all these other holes in your golf course, the fact is the golf course for the past two years has been this construction right here? A. Yes, sir.

Q. And at no time did you ever fasten the carpet to the guard rail? A. No, sir.

Mr. Sell: I think that will be all, Mr. Jackson.

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23 Recross-Examination

By Mr. Sell:

Q. I'd like to ask you just one more question on this. What is the royalty under these licenses? A. Two hundred fifty dollars.

Q. And how long is that $250 for? Is that for a year? A. No, sir. For the remainder of the patent.

Q. For the life of the patent, the license fee is the $250.00? A. From the time Mr. Davis sold me one for Dare County, $250 for the rest of the life.

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42 **J. W. Clements**

Cross-Examination

By Mr. Sell:

Q. Mr. Clements, you say you examined the golf course last week of Mr. Jackson, is that correct? A. This morning.

Q. This morning. Was it this morning you found you couldn't shove the knife down between the edge of the carpet and the mold frame? A. You could shove the knife down through there, but it's glued. But some places you couldn't get it.

Q. In other words, it would be an accident where you couldn't shove it through? A. You could shove it through if you put enough pressure. I mean you could tell when anything is tight and when it isn't tight.

Q. Is it true those carpets are pretty wet out there now? A. Yes.

Q. Is it true this stuff swells a good bit when it gets wet? A. Yes. But it doesn't have that much pressure.

Q. How much? A. Enough you could feel with a knife-blade.

Q. What do you mean by "feel with a knife blade"?

43 A. With those carpets out there it wouldn't have a tendency to expand by getting through it. So it's not going to put a lot of pressure.

Q. If this swells it has only one direction to swell in because it is glued? A. That's right.

Q. Which way is it going to swell, outward, toward the side, or up? A. Even if it was swelling against the rail you could certainly tell the difference if it was just pressed against the rail or just glued.

Q. Did you ever watch them lay this carpet? A. There at that place, I just passed by there while they were laying it and I didn't take any time. I didn't stay very much. I knew they had the roller there and they pasted, and all.

Q. Tell me, on this knife business, did you actually go along the rail? A. Yes.

Q. With the knife. The whole way along the rail? A. No; not all the way along. I tried here and over there.

Q. You picked certain spots? A. That's right.

Q. You picked those spots where it looked to be

44 tightest? A. No. I picked them at random.

Q. On one or two holes? A. I think I tried three different holes.

Q. You knew Mr. Jackson had built this course and of course it had been in operation before you brought any action? A. I tried to get action just the minute I could. The minute I got back up and found he was building I

wrote Mr. Davis a letter and he came by and said we couldn't do a thing until he started to operate, and I did everything in my power to get action started as early as I could.

Q. And yet you let him operate a whole year? A. I couldn't help it. All I could do was get my lawyer and keep pushing him.

Mr. Sell: That will be all.

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68 **Richard W. Davis**

Cross-Examination

By Mr. Sell:

Q. First thing I want to ask you, Mr. Davis, there never has been a judicial decision of infringement of your patent? A. No.

Q. Do you understand yours to be the first to use the carpet on a miniature golf course? A. That is the first and only carpet golf course patent issued.

69 Q. Just about how many miniature golf courses do you think are in existence right now in this country and being used? A. I don't know. I wouldn't attempt to guess.

Q. Would you say there would probably be around 600? A. Wouldn't be a bit surprised. However, I wouldn't go as high as that.

Q. Say, 500? A. I wouldn't be a bit surprised.

Q. And you have got licenses out for 100 or 150? A. Yes.

Q. How about all these other golf courses, don't they use carpets? A. A lot of them do. Just like the case I have in Myrtle Beach right now.

Q. Some of those have been in existence for quite a while. Tell me this, are you the first to put a guard rail around the carpet to hold the ball in? A. Do what?

Q. Put a guard rail around the fairway or green of the miniature golf course to keep the ball from going out of

the playing area? A. Let's get that straight there. Miniature golf and carpet golf. Miniature, anything that's small is miniature. Carpet golf or miniature golf, there is a big distinction there. Miniature died and the carpet lived.

70 Q. You mean that carpet golf isn't miniature golf? A. Beg pardon?

Q. This type where you use a carpet, you say that isn't a miniature golf course because you have a carpet? A. Anything that is small is miniature. Now, according to the definition I understand, is that the old miniature golf courses of '30 and '31, '32 were miniature, because they were on that size, according to the open golf that we generally knew. When I came along with this, the patent is a carpet golf course and the only one ever issued.

Q. In other words, as far as you can see, the idea of putting the carpet on that base is your patent. I think that is all, sir.

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74 **Walter E. Roe**

Direct Examination

By Mr. Lewis:

Q. Mr. Roe, will please state for the record your full name and your present residence? A. Walter E. Roe,
75 Round Hill, Virginia.

Q. And, Mr. Roe, what is your present occupation? A. Well, I am semi-retired. I have a cattle farm at Round Hill.

Q. Before that time were you employed by the United States Patent Office? A. I was.

Q. And in what capacity, sir? A. I was an examiner there for 29 years.

Q. During that time what types of inventions primarily were involved in your type of work? A. Well, I handled cases on steam generators, on diesel engine injectors, upon

hydraulic and earth engineering, metal buildings, wooden buildings, roads and pavements, and others.

Q. What is your educational background? A. Well, I had four years of engineering at the Rensselaer Polytechnic Institute.

Q. Have you ever worked for any other governmental agency or non-governmental agency? A. No, I have not.

Q. In other words, your entire experience, except for your present experience, has been as an examiner in the Patent Office? A. That is true.

Mr. Lewis: Do you have any objections to my witness?

76 Mr. Swecker: Let me ask him a question or two as to his qualifications.

By Mr. Swecker:

Q. Mr. Roe, have you ever testified in court on a patent infringement question? A. Yes, sir, I have.

Q. Where? A. Miami, Florida.

Q. Any place else? A. No, sir.

Q. Only one occasion. Was that as a patent expert? A. It was.

Q. For the purpose of interpreting the patent? A. It was.

Q. Have you ever studied law? A. About a semester of law.

Q. Where? A. At the Y.M.C.A. law school at Washington, D. C.

Mr. Swecker: Your Honor, I object to the qualification of the witness because he hasn't shown that he is qualified to interpret patents and to testify in court as a patent expert. He is not a member of the bar. He is not a lawyer, and his background as an engineer—and that is all that is required for Patent Office work—does not entitle him

77 to testify for the benefit of the Court in interpreting patents.

The Court: Couldn't that go to the weight of his testimony, Mr. Swecker, rather than to the admissibility of it?

Mr. Swecker: In some instances Courts have held at least that it goes to the qualification entirely. It always goes to the weight, I will agree.

Mr. Lewis: Your Honor, the law is clear that it is strictly a matter of discretion, as far as the Court is concerned, the question as to whether a man is qualified.

The Court: The gentleman has testified that he has testified once before in Miami, Florida, on a question of this kind. It may be that the problem will become as much one of engineering, although I don't presently conceive it to be, as it would be one of law. I think I am going to permit him to testify, and I am mindful that the weight that will be given to it will be dependent upon the nature of the testimony. I will permit it.

Mr. Lewis: Your Honor, our only purpose, of course, in using an expert is merely to assist the Court in the event that the Court feels that it wants a little explanation of any particular matter. The purpose of this witness, of course, is to testify as regards the prior art. Certainly, as far as that is concerned he is an expert in it because he has been doing it for 29 years in the Patent Office.

78

Q. Now, Mr. Roe, in this case, have you examined the File Wrapper and contents? A. Yes, sir; I have.

Q. Of the Richard W. Davis patent? A. Yes, sir.

Q. Do you have a copy of that file wrapper before you? A. I do.

Q. If you will please refer to that in the future as Defendant's Exhibit C. Does that file wrapper reflect the history of this application in the Patent Office? A. I would say it did, yes, sir.

Q. Now, the claim that was granted in this particular case, was that claim originally inserted in the application? A. No, it was not.

Q. Were there other claims that were originally presented? A. Yes, sir.

Q. And would you please refer to the file wrapper and

indicate where we might find those claims? A. Those claims are found on page 5 of the file wrapper.

Q. Were those claims allowed or rejected by the examiner? A. They were rejected.

Q. On what bases did the examiner reject those claims, sir? A. Claim 1 was rejected as being obviously fully met by King, Angell, Meyer, Jackson or Taylor.

79 Q. What page of the file wrapper are you referring now? A. That is found on the first official office action dated September 10, 1938. It's found on page 8 of the file wrapper history.

The Court: Page 8?

The Witness: Page 8, yes, sir.

Q. You say that there were certain references or prior art references that were relied upon by the examiner in that rejection? A. That is correct.

Q. Have you examined all of those references? A. I have.

Q. Have you examined the patent that was issued to King? A. Yes, sir.

Q. That is the British patent to King? A. Yes.

Q. That British patent to King, is that in Defendant's Exhibit D? A. Yes, sir; it is.

Q. Would you take that particular patent, Mr. Roe, and show us what portions of the Davis that are set forth in this claim, the single claim, which in your opinion were anticipated by the King patent? A. If I may step down?

Q. Surely. A. Here is a golf course comprising

80 a rigid solid base. That is this concrete structure.

Q. You are referring now to Defendant's Exhibit A? A. I am.

Q. And you say that in the King patent we find a golf course structure comprising a rigid solid base? A. Including a boundary mold frame.

Q. Where do we find the boundary mold frame? A. The boundary mold frame is this portion of this frame, A.

The Court: Designated as "A" on the King patent on Defendant's Exhibit.

A. The mold itself is the rabbeted portion.

Q. What do you mean by rabbeted portion? A. The portion of the frame. "A" is really cut away and you have an L-shaped member here. But since the concrete is only cast against this part here, that part only constitutes the form.

Q. Now, referring to the next element of the claim, which in the claim reads, "and a filling flush with the top edge portion of the frame," do we find that in the King patent, sir? A. We do.

Q. Will you please point that out to us? A. This concrete "C".

81 Q. Is that a concrete base? A. It is.

Q. Is that concrete base, in your opinion, is the filling or top edge of that concrete base flush with the top edge portion of the frame? A. It is.

Q. What frame do you have reference to, sir? A. Having reference to this portion of the frame "A", which is the rabbeted edge.

Q. The rabbeted section? A. Rabbeted section.

Q. In your opinion the filling is flush with the top? A. It is obviously shown flush. It's a straight line across there.

Q. Do we find next in the King patent a characteristic carpet covering the top face of the base? A. We do.

Q. Would you please refer to that, sir? A. That is shown in "H" in this same exhibit.

Q. Does that characteristic carpet that covers the top face of the base and extending marginally onto the top edge portion of the mold frame, do you find that the characteristic carpet extends marginally onto the top edge portion of the mold frame in the King? A. It does.

82 Q. Do we find also that said marginal portion of the carpet being fastened directly to the top of the mold frame? A. We do. It is fastened by these tacks or nails at "E".

Q. And do we find in King a separate guard rail secured to said mold frame on top of the attached marginal portion of the carpet? A. No, we do not.

Q. Nor do we find that that separate guard rail functions as a supplemental fastening for the carpet? A. No, sir.

Q. Well, then, what, in your opinion, was the feature that is described by this plan in the Davis disclosure which distinguished it from the King patent? A. The said "separate guard rail secured to said mold frame on top of the attached marginal portion of the carpet and functioning as a supplemental fastening for the carpet."

Q. I see, sir. Have you examined other prior art patents that the defendant has been relying upon in this case to establish its contention that this Davis patent is not valid? A. I have.

Q. Have you examined, for example, the patent to Malloy, the United States patent to Malloy? A. Yes, sir.

83 Q. Would you please refer to that patent, sir.

The Court: Mr. Lewis, where is that in evidence here?

The Clerk: Defendant's Exhibit D.

Q. Applying the claim of the patent with respect to the Malloy patent, sir, I would like for you to point out to the Court what in the Malloy patent can be found in the structure that is described in this claim. Referring now to Defendant's Exhibit B, and the claim thereof, which includes a drawing that is taken from the Malloy, would you please first point out to the Court what part of the drawing that the Defendant's exhibit refers to in respect to the Malloy patent? A. I don't think I understand your question.

Q. Does this refer to figure 2 of the drawing in the Malloy patent, sir? A. Oh, yes. Yes.

Q. With respect to this claim, and referring to Defendant's Exhibit B, I will read this claim and I would like for you to point out to the Court wherein you may find the various members. "A golf course structure comprising a rigid, solid base." Do we find a rigid, solid base in a golf course structure in the Malloy patent, sir? A. Yes; we do.

Q. Where do we find that? A. Found in Figure 2 in the patent of Malloy.

84 Q. Do we find also in Malloy, in addition to the solid base, "including a boundary mold frame"? A. Yes, sir.

Q. Where do we find the boundary mold frame in the Malloy? A. It is referred to by reference character "7." No; "6." Beg your pardon; "6."

Q. Do we find in Malloy "a filling flush with the top edge portion of the frame"? A. We do. This concrete base extends right over there flush with that mold frame "6."

Q. Do we find in Malloy "a characteristic carpet covering the top face of the base and extending marginally onto the top edge portion of the mold frame"? A. We do.

Q. Will you please point out where we find a characteristic carpet covering the top face of the base? A. Shown by reference character "3", extending across the concrete base over onto the top of mold form.

Q. Are you telling us that this extends marginally onto the top edge portion of the mold frame? A. It does.

Q. Referring back to the marginal edge of the carpet, do we find said marginal portion of the carpet being fastened directly to the top of the mold frame? A.

85 No, sir. We do not.

Q. We do not. Where is that carpet fastened in this? A. The carpet is going across the top of the mold frame and is tacked or nailed into the exterior side thereof, as shown by reference character "7".

Q. So there is a difference there where you place the tacks as regards the Davis patent? A. That is right.

Q. Going on, referring again to Defendant's Exhibit B, the Malloy patent, do we find a separate guard rail secured to said mold frame? A. We do.

Q. Where do you find that, sir? Please point it out. A. This No. 12, it's generally L-shaped cross sections, extends up along the side of the mold frame, and then has this projection that extends inwardly over the top of it.

Q. Do we find also that the mold frame is on top of the attached marginal portion of the carpet? A. It is.

Q. Does that separate guard rail in your opinion function as a supplemental fastening for that carpet? A. It doesn't do otherwise but so function.

Q. Would you please explain a little bit more about that? A. Well, this member comes up and extends over the edge of this carpet and is held in position by this
86 bolt that is attached to the base at an angle. When that bolt is drawn inwardly there is a vertical concord in view of its angularity which tends to draw the guard rail down on top of the carpet.

Q. So that you are telling us in this particular claim that the teachings of the Malloy structure with reference to that particular claim, the only thing that we find in the Davis claim that we cannot find the corresponding feature for in the Malloy patent is the place where you tack the carpets? A. That is the sum and substance of it.

Q. Is there any other prior art reference that you have examined in which the marginal portion of the carpet is fastened directly to the top of the mold frame? A. Yes. The King patent does that.

Q. The King patent. Where do you find that, sir? A. That is shown "E", where the marginal edge portion of this portion of this carpet "H" is nailed directly to the top portion of the lower frame.

Q. All right, sir. Now, have you, in your examination of these prior art patents, had an occasion to examine the patent—

The Court: Mr. Lewis, we are going into another patent now?

Mr. Lewis: Yes, sir.

The Court: Let's recess for lunch, gentlemen, and come back at two o'clock.

87 AFTER LUNCHEON RECESS

Walter E. Roe resumed the witness stand.

By Mr. Lewis:

Q. Mr. Roe, one question I want to ask you, which I neglected to put to you before, with respect to this Malloy patent. Was the Malloy patent cited by the Patent Office examiner during the prosecution of the application? A. No, sir.

Q. Now, have you examined the British patent to Tramill? A. I have.

Q. Do you find that the Tramill disclosure taught the idea of a carpet golf course, that is, a base with a carpet mounted on it and the use of a guard rail? A. Yes, sir; it did.

Q. I wonder if you would point out those particular features in that Tramill patent? A. The Tramill patent shows a carpet golf course made up of a series of wooden frames. They are denoted "1", "2," and "3" on the Figure 1. These frames consist of side members between which extend space slats. Slats are shown at "9" in Figure 2. And extending and attached to those side members, and extending above the playing surface, are side members 6, best shown in Figure 3. Now, a carpet, 10, is laid across those slats and constitutes the playing surface.

88 Q. Was that Tramill patent cited by the Patent Office during the prosecution of the application? A. A. No, sir; it was not.

Q. Incidentally, when was that patent to Tramill issued? Will you please refer to that, sir? A. That patent was accepted in the British Patent Office on October 8, 1931.

Q. And when was the application of Richard W. Davis filed? A. As I recall, it was filed in 1938.

Q. Do you recall the exact date, sir, or would you like me to show you a copy? A. Show me a copy and I can give it to you. It was filed June 21, 1938.

Q. You heard Mr. Davis testify, did you not, that he felt that his patent covered the only carpet golf course? A. I did.

Q. Well, is it your opinion that in view of prior art, such as the Tramill patent, such an assumption is justified? A. No; I do not think so.

Q. What would be your reason for that? A. Well, the patent of Tramill and also the patent to Malloy, and further, the patent to Inman, all of which antedate the Davis application, clearly show carpet golf course.

Q. Well, may I ask you this question, in your opinion is it possible to read the claim of the Davis patent on
89 the Buck-Jackson Corporation's construction, which is shown in Defendant's Exhibit A? A. No, sir, it is not.

Q. Would you please point out to us why? A. Well, the claim calls for the mold, a separate guard rail secured to said mold frame on top of the attached marginal portion of the carpet and functioning as a supplemental fastening for the carpet. Well, in Buck-Jackson, the guard rail, 8—4—excuse me—does not rest upon the carpet, and in my judgment does not afford a supplemental fastening means for the carpet. The guard rail 4 lies entirely outside, beyond the plane of the core frame 1.

Q. Do you find anything in the file history of the Davis application which would indicate that the applicant himself felt that there was a novel feature in this, and what particular feature did he have reference to? A. Yes. I think that the record clearly shows that.

Q. Would you please point out to us which part of the record you have reference to sir? Would you possibly be referring to page 15 of the file wrapper, sir? A. Yes.

Q. Any particular paragraph? A. The second complete paragraph on this page.

Q. Would you please read that, sir? A. He says,
90 "As pointed out by applicant and discussed during the interview, it is essential that applicant's golf course structure includes a guard rail, whereas the support-

ing base for the teeing mat of the British patent to King, et al, cited in the last Official Action, does not include a guard rail and, furthermore, the provision of a guard rail surrounding the mat would defeat the very purpose for which the mat of the reference is primarily intended and used, that is to say, the mat of the reference is necessarily flush with the surrounding turf as described in the third paragraph on page 2 of the patent specification, this obviously being to avoid interference in the driving of the ball from the tee as well as eliminating the possibility of the player stumbling in stepping onto and stepping from the mat."

Q. With respect to the use of a guard rail to perform the function of a supplemental fastening for the carpet, did you in your preparation examine the patent Inman, United States patent? A. Yes, sir.

Q. Would you please point out to the Court whether the sketch of Inman patent which appears—I am now referring to Defendant's Exhibit B— A. Yes, sir. That shows Figure 4 of the patent.

Q. Does the patent Inman show the use of a separate guard rail? A. Yes, sir. The member denoted by
91 the numeral 3 is a separate guard rail.

Q. Would that guard rail perform the function of a supplemental fastening for the carpet? A. Oh, yes. The patent even refers to that.

Q. Where do you find that in the Inman patent, sir? A. On page 2 of column 1, page 2 of the patent, line 37, he states: "These rails are secured to the base 1 over the yieldable covering or padding 2, thus serving also to secure the covering or padding 2 at regular intervals to the base 1."

Q. I see, sir. Now, considering the teachings of the Davis patent and considering the teachings of the prior art to which you have testified here, in your opinion would a device which consists of a concrete base, which is surrounded by the boundary mold frame, on which a characteristic carpet is placed to cover the top face of the base and extending

marginally onto the top edge portion of the mold frame, with the marginal portion of the carpet being fastened directly to the top of the mold frame, and which structure has a separate guard rail secured to said mold frame on top of the attached marginal portion of the carpet and functioning as a supplemental fastening for the carpet, would that be a patentable structure in view of the prior art which you have discussed? A. I don't think so, no, sir.

Q. Would you perhaps refer to the features of the
92 prior art that you feel would anticipate that? A. Well, the patent to Malloy clearly shows the structure involved, wherein the base is shown at 2, the carpet at 3, which extends over to the edge of the mold frame 7. The rail is shown at 12 and that rail helps to secure the carpet to the mold frame.

Q. Now, is the—

The Court: Pardon me a minute, Mr. Lewis. Is the Malloy guard rail similar to what you see on an average pool table?

The Witness: Why, it is, yes, sir. That portion denoted 15 is rubber and the ball, in playing this game—it is described as a variation of outdoor golf or indoor golf, as the case may be—is played with a mallet.

The Court: Well, I know what they use, of course, but I was speaking of 15 on the Malloy patent, and also No. 12 in there, how it loops over. Is that similar to what the pool table construction is, or don't you know on that?

The Witness: Well, 15, of course, is the same as the cushion, the rubber cushion. Now, I believe that on a pool table that the felt is drawn over and under the edge, but just what the construction is there, I don't know.

The Court: Go ahead, Mr. Lewis.

Mr. Lewis: I think that is all the questions I have to you, Mr. Roe.

* * * * * * * * * *

123 Redirect Examination

By Mr. Lewis:

Q. Mr. Roe, the first question I want to point out is this: Do we find anything in this particular claim, the Davis claim, which specifies a carpet golf course? A. No. It just says a golf course structure.

Q. Now, as far as you are concerned then, it's the question of the structure? A. That is true.

Q. And not necessarily its purpose? A. That is true.

Q. Which is the basis of your testimony.

The Court: Well now, let me ask you gentlemen, in the claim, it is true it says golf course structure, but
124 further on down, on line 36, it says "a characteristic carpet covering" and then further on "marginal portion of the carpet being fastened." Now, I am completely unfamiliar with these patent cases, and I am trying to enlighten myself a bit. That, of course, refers to a carpet covering. I am appreciative of the fact that may not constitute a patent on the carpet as such, and I take it that that is what you have reference to?

Mr. Lewis: Yes, your Honor, that is right.

The Court: But it refers to a carpet covering.

Mr. Lewis: That is right, but I am referring to whether or not the claim as such has reference to a carpet golf course.

Q. Does the claim cover a carpet golf course per se in your opinion? A. No, sir.

Q. Does the claim specify any particular type of base except that it must be solid and a rigid base? A. No, it doesn't.

Q. Now, as far as the use of a mold frame is concerned in connection with the laying of a concrete base, once having used the mold frame as such, a wood mold frame, what particular use does a mold frame have for concrete base? I am not considering in connection with golf course, but what particular use does that frame have, or, I should

125 say, does it have any further use? A. After you have laid the concrete?

Q. Yes. A. It has no use.

Q. In this particular Davis construction, what in your opinion is the purpose of continuing to use the boundary mold frame? A. Well, he uses it to fasten his carpet to; by the use of those nails and tacks 6.

Q. Now, referring to the Malloy patent, which counsel for the plaintiff questioned you about, isn't it a fact that in the Malloy structure, as far as the drawing of the Malloy patent is concerned, that it does show first of all a solid, rigid concrete base? A. It does.

Q. That has a peripheral frame? A. It does.

Q. And which is provided with a carpet or a carpet like member which substantially covers the entire area of the base? A. It does.

Q. And does it not also include a guard rail which overlies the base in the frame? A. It does.

Q. Now, I want to ask you this, is there anything in the Davis claim that refers to a particular type of ball
126 that is to be used in playing this game? A. Oh, no.

Q. Would there be any restriction in that claim to the use of a, well, a basketball? A. Well, you could use a basketball or billiard ball or child's rubber ball, so far as that claim is concerned.

Q. Is there anything in the claim with respect to a particular type of carpet? A. No; there is not. Just says a characteristic carpet covering. That could mean most anything; whatever you mean by characteristic.

Q. Now, with respect to the Malloy patent, which you have testified he uses a concrete base, is there any reason why he would use a concrete base unless it was intended that it was to bear the weight of a person? A. Well, I shouldn't think there would be. Concrete is expensive stuff and if you are just going to have it for playing from the outside, you might as well have a sheet of plywood, something that is much cheaper.

Q. Now, as far as the Davis patent specification is concerned, do we find anything in that specification which refers to a person walking on the base? A. I don't see anything about walking as such. You'd have to infer that they walked upon it.

127 Q. So that you might infer that a person would walk upon this base as much as you would infer that a person would walk upon the Davis? A. I would definitely infer that you would walk upon the Malloy.

Q. With respect to King, it has been pointed out, and of course the art clearly shows, that the King structure was intended to be used as a base for teeing off? A. That is true.

Q. But otherwise, from that fact, is it not true that the King structure is directed as much to a golf course as the Davis patent? A. It is.

Q. Now, referring to the question of the claims in the Davis application which were rejected, is it not true that the examiner rejected all the claims that were submitted in that case that did not have the carpet sandwiched between the mold frame and the guard rail in so far as the King patent is concerned? A. That is true.

Q. And is that the feature of the Davis disclosure, which was defined by these claims, which was the basis for the allowance? A. It certainly appeared that way to me, from the reading of the patent history, file history.

128 Q. Doesn't the Tramill patent, which you examined, show a base with a surrounding guard rail? A. It does.

Q. And including a carpet which covers substantially all of the entire area of the base? A. That is right.

Q. But, of course, in that case the guard rail does not overlie and touch upon the carpet? A. That is right.

Q. Now, I'll ask you this last question: In the Buck-Jackson disclosure, as shown on Defendant's Exhibit A, does the Buck-Jackson structure have a guard rail which is on top of the marginal edge of the carpet? A. No, sir.

Mr. Lewis: I have no further questions.

The Court: Before you leave, could I take a look at the Tramill drawing?

The Witness: Right there, sir.

• • • • • • • • • • •

132 **A. D. Jackson**

Direct Examination

By Mr. Sell:

Q. Mr. Jackson, when you built your golf course were you aware of the Davis patent? A. Yes, sir.

Q. Did you at that time request an opinion on what that patent covered? A. Yes, sir. I employed O'Brien and Jacobson, patent law firm in Washington, to investigate and tell me just what this patent covered.

Q. And what did they say in that opinion? A. May
133 I read the letter, sir, or shall I tell you in my words?

Q. Sure thing. A. Read the letter?

Mr. Sell: I wonder if we can have the letter for a moment and mark it for identification as Defendant's—

Mr. Swecker: Your Honor please, what is the purpose of this exhibit? I don't get it. These attorneys are presenting their own argument apparently. They are both connected with that firm. I submit the letter is improper under those circumstances.

Mr. Sell: But we want to put this letter in to show good faith on the part of this defendant in building his golf course.

The Court: But he has testified he secured an opinion and he has testified in substance that the opinion told him there would be no infringement if he went ahead and constructed the Buck-Jackson model as shown there. But the opinion itself may be absolutely right—

Mr. Sell: And it may be dead wrong.

The Court: And it may be wrong, as determined by the final court that winds up with this matter. And I don't

see how it would be any more pertinent than the memorandum that you gentlemen have submitted here.

Mr. Sell: No, sir. As far as what the opinion says, I wanted to get it in solely to show that his infringement, if there was any infringement whatsoever, could not be willful; the fact that he acted in good faith.

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The Court: He can testify that he received an opinion and that the opinion indicated if he made his construction in line with Defendant's Exhibit A, entitled Buck-Jackson Corporation construction, that that would not be an infringement upon the R. W. Davis patent.

Mr. Sell: That is all we want to get across, and we will withdraw the opinion.

The Court: If he so acted on that opinion, which obviously he did, because he has admitted he constructed it and he admitted he knew of the Davis patent at that time, I think that is as far as we need to go as far as that is concerned.

Mr. Sell: Then there is no need to put it in. Thank you, sir.

Q. Mr. Jackson, on building your golf course, let me ask you this: First, you pour a concrete form? A. Build a wooden form.

Q. Build a wooden form? A. Yes, sir.

Q. What is the purpose of that wooden form? A. To hold the base that's the concrete filler.

Q. In other words, to hold the shape of the base? A. Yes, sir.

135

Q. It's a mold frame? A. Yes, sir.

Q. It's to allow the mold to set? A. Yes, sir.

Q. Once that mold is set you could remove that mold frame and not affect the shape of that mold at all, isn't that true? A. Yes, sir.

Q. But you retain that mold frame? A. Yes, sir.

Q. And for what purpose do you retain that mold frame? A. To nail the side rail to.

Q. To nail your side rails to? A. Yes, sir.

Q. Do you retain that mold frame to tack the carpet to it? A. No, sir.

Q. Just how do you apply your carpet to this base? A. We take this rubber tile adhesive and spread it with a trowel, that the linoleum man uses, and spread it very thin and we roll the carpet out onto this adhesive.

Q. What do you do—you tack it along one edge of your guard rail? A. No. You just slide it up against this. We cut it a little bit too big. Slide it up against this side.

136 Q. This side, you mean one edge of the guard rail?

A. That is right. And after the roller goes over it we come down the other side with a knife, right down in the corner and cut out the surplus.

Q. Let me see if I understand you on this. This carpet comes in rolls? A. Yes, sir.

Q. You take this roll and you coat this concrete base with adhesive? A. That is right.

Q. You use a thin coating or thick coating? A. Thin.

Q. Why do you use a thin coating? A. That is what the company recommends that makes it and the first that I did worked well and so I just continued to use it thin.

Q. Did it ever occur, too, if you used a thick coating you would have a lumpy surface? A. Oh, yes. It gets hard like a rock. Not like a rock, but it gets hard.

Mr. Swecker: Your Honor, I can't hear back there, may I sit over here?

The Court: I couldn't hear very well either, Mr. Swecker. The gentlemen outside were making a little bit too much racket.

137 Mr. Sell: Did you hear the last two questions?

The Court: I don't believe I did. I think you had better repeat them, Mr. Sell, if you will.

Q. (By Mr. Sell) As I understand, this carpet comes in rolls that they put on these concrete bases. To put the carpet on the base you first coat the base with an adhesive? A. Yes, sir.

Q. Do you use the thin coating or thick coating of adhesive? A. The thin coating.

Q. Why do you use a thin coating of adhesive? A. That is what the company recommends and it works good like that so it's no— I just wouldn't know any reason for putting a thick coat under there.

Q. Has it ever occurred to you that if you did use a thick coating that you would probably end up with a lumpy carpet surface? A. Yes.

Q. In other words, you want to use a thin coating? A. That is right.

Q. You do use a thin coating? A. That is right.

Q. To apply this carpet—you stated it came in rolls? A. It comes in 9-foot rolls. You split the roll and then take the half a roll for it.

138 Q. Take the half of the roll and what do you do? Do you tack it along the base? A. Oh, no.

Q. And then unroll the carpet? A. You just roll it out onto the adhesive and come along with an iron roller and stick it down.

Q. Smooth it out? A. Yes, sir.

Q. Now, is the carpet ever wider than the space between the guard rails? A. May I stand up?

Q. Sure thing. A. We always make it a little wider when we put it down and it turns up on the side, so if there's any broader places, irregularity into the rails, then we take a knife and come right down that corner.

Q. Wait a minute. Before you take that knife you roll this onto the base? A. Oh, yes.

Q. Roll it on first? A. All over. And then you have an inch or two turned up onto the side and to make it fit down in there you come right along with a knife and cut.

139 Q. You cut down this way with a knife to make it flush with the edge? A. Cut diagonally because you couldn't get a knife straight up, you see. Just cut at an angle.

Q. And it's cut at an angle. What do you do then? You push it down along the side, go along with a roller and

push it down? A. Then we roll a roller over it in case there are any places that aren't stuck.

Q. Tell me this, do you put adhesive on the inside? A. Oh, no, sir.

Q. If you did put adhesive on the inside of those guard rails, as I understand it, you replace this carpet every season, is that correct? A. Yes, sir.

Q. If you had adhesive on the side of these guard rails you would then have to take off the guard rails to replace the carpet? A. I just don't know just what you would have to do.

Q. When you rip the carpet up, if you had it secured here, you would either tear the carpet, you would have to come along and scrape the carpet off? A. Yes.

Q. Tell me, when you replaced yours this year or last year, did you have to do that? A. The stuff tears up very easily. You can get behind it with a shovel or a
140 hoe, or sometimes if it's not too rotten, you can get hold of it and pull it, and go right on and tear it out.

Q. It rolls back up the same way you put it down? A. It will tear and you get another piece and it's—

The Court: Mr. Jackson, are all of your fairways of the same widths on your 18-hole course?

The Witness: They are all supposed to be, but naturally they vary according to a quarter to a half an inch, but the actual width—

The Court: But basically they are the same?

The Witness: Basically they are the same.

The Court: You don't have one about three and a half feet and another ten feet wide or anything like that?

The Witness: Well, sir, at the end, the end of the fairway it goes into a big opening but the actual fairways are a standard size. Maybe at the end of a hole, around a cup, there is a large area.

Q. (By Mr. Sell) Those enlarged areas around the cup, they vary, don't they, for each hole? A. They what, sir?

Q. The large area around the cup, that varies for each hole, doesn't it? A. Oh, yes.

Q. And usually has a different shape? A. Yes.

141 Q. So your nine holes are, of course distinct?

The Court: Do you have to piece the carpeting around the hole? I can understand how you can lay it down on the fairway. When you get around the hole where you have a large area—I think you have already testified that you cemented it all over. Now, Mr. Davis said that he cemented right around the hole and that is all. Now, your carpeting around the hole would have to be a separate piece than just splitting this 9-foot roll?

The Witness: Well, it's very seldom that this enlarged area is over 9 feet wide. But where it joins to the small piece I just butt it up together, or sometimes we sew it. It holds in place until it sticks. You can sew it with a fishing line or some type of strong thread.

The Court: But while your fairways might run, say, around four feet or thereabouts, yet around the hole you would use a piece of the entire roll?

The Witness: Yes, sir.

The Court: And cut it from that?

The Witness: Yes, sir.

Q. (By Mr. Sell) Mr. Jackson, I wonder if you could tell me why you finally adopted this structure here, which is in your mold frame and outer guard rail secured to the side of that mold frame? A. Well, my understanding

142 was that I must not place a guard rail on top of the mold form to which the carpet had been attached.

Q. Did you at that time know of this King patent? A. Yes, sir.

Q. Did it occur to you at that time that this structure was identical to this structure of the King patent? A. I studied both of them and it looked identical to me.

Q. What did you feel that you did on yours that was different from the King patent? A. Well, my side rail came higher.

Q. In other words, you extended this rail up? A. Yes.

Q. So that you had a guard rail around it. When you are making these—you live in a beach area. Just as a

practical man you want to put a base down that will stand up, that won't rot under the weather because it's wet, what would you choose if you were making any base as your material for that base? A. Concrete is the accepted best arrangement.

Q. Whether a carpet golf course or a sidewalk. How do you usually smooth concrete off? A. Screed it.

Q. On what does that screed rest to level it? A. Onto the mold form.

Q. In other words, it's customary in any concrete structure where you are trying to level it off to use a mold
143 form and use that as a base? A. Yes.

Q. Whether this is a carpet golf course or sidewalk, this construction is conventional? A. I have used it many times on sidewalks.

Q. Anybody who has ever laid concrete has used this plenty of times. But at no time did you ever sandwich your carpet, the marginal edge of your carpet, between this mold frame? A. No, sir.

Q. And this guard rail? A. No, sir.

Q. In other words, at no time did you ever use this guard rail as something to lie on top of the marginal edge of that carpet? A. No, sir.

Q. And also at no time did you ever use that guard rail as a supplemental fastening for that carpet? A. No, sir.

* * * * * * * * * *

155 Redirect Examination

By Mr. Sell:

Q. On this King patent you saw the drawings, is that correct? A. Yes.

Q. You never read the printed specification, did you? A. Yes, sir, I read it.

Q. You did read it? A. Yes, sir.

Q. And it did refer to a golf course? A. The King patent?

Q. Yes. A. Golf mat, or something.

Q. Golf mat? A. Yes, sir.

156 Q. You consider any distinction, somebody calling this a mat or a carpet? A. Webster calls a mat a thickly woven fibre and he calls a carpet practically the same thing, sir. I just don't know what the distinction is.

Q. Do you see any distinction between a carpet golf course and a miniature golf course? A. I don't know what you would call a carpet golf course or miniature golf course. They are all—

Q. Would you say that the term "carpet" is simply what the plaintiff has chosen to call this mat that could be as well called anything else? A. I think it's just a term that they stumbled on. The company that manufactures it doesn't call it carpet. They call it golf felt.

Q. They call it golf felt. They don't call it carpet? A. That is right.

Q. Does Mr. Davis have anything to do with the manufacture of that carpet? A. I don't know, sir. I don't think so.

Q. Do they have anything to do with the Davis patent? A. I don't think so.

Q. Did you ever ask them about the Davis patent when you ordered golf felt from them? A. Yes. I talked to the man that manufactures it.

157 Q. Does he know anything about the patent? A. Well, he told me that— I had told him about this suit—and he looked down at my golf course, he said, "Well, you haven't got anything to worry about. There's your side rails on the side. That's all there is to it." He said, "I played carpet golf in 1928."

Q. Do you know of any other—

The Court: Who is this you were talking to, now?

The Witness: A Mr. George L. Davis, who owns the Davis Carpet and Felt Company, the man from whom we buy our carpet.

Mr. Sell: This morning, sir, we had in the testimony the fact that the Davis Company up in New Jersey put out the carpet. I wanted to get it straight that that company was

not connected in any way with the Davis who has this patent.

The Court: I don't understand that there is any contention on the part of the plaintiff that the present plaintiff, Richard W. Davis, has any connection with the concern that puts out the felt.

Mr. Sell: No, sir, there was none except by inference in the testimony, that it was the Davis Golf Felt.

Q. Do you know of any other carpet golf courses or miniature golf courses which are not licensed by
158 Davis, to your own knowledge? A. I know there are numerous companies who build golf courses nationally and advertise in national publications. I corresponded with some about building one for me and they said that my area was too small. And, according to their literature, they build them everywhere.

Mr. Sell: I think that is all.

* * * * * * * * * *

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1955

No. 840

RICHARD W. DAVIS and J. W. CLEMENTS, *Petitioners*

v.

THE BUCK-JACKSON CORPORATION and H. L. BUCK, JR. and A. E. JACKSON, JR., d/b/a BUCK AND JACKSON, *Respondents*

BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

JOHN H. LEWIS, JR.
Attorney for Respondents
1406 G Street, N.W.
Washington, D. C.

PRESS OF BYRON S. ADAMS, WASHINGTON, D. C.

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To the Honorable the Chief Justice and Associate Justices of the Supreme Court of the United States:

In opposition to the petition for writ of certiorari, respondents pray that review be denied to petitioners. The brief of respondents in opposition to the petition follows.

STATEMENT OF THE CASE

Respondents disagree with the statement of the case as set forth in the petition in two material respects.

First, on page 2 of the petition, petitioner states that not only was a license granted under the Davis patent to A. E. Jackson, Jr. for Dare County, North Carolina, but that A. E. Jackson, Jr. is also the holder of a license under the patent jointly with a Mr. Troy, which latter license covers Morehead City, North Carolina, that both licenses are in effect, and that A. E. Jackson, Jr. is enjoying the benefits from both licenses. During the trial, Mr. Jackson was called as a witness by the plaintiffs below, and, in answer to a question regarding a license under the Davis patent for Morehead City, Mr. Jackson made the uncontroverted statement that a B. E. Troy had the license for Morehead City and that Mr. Troy built the golf course there. (Appellants' Appendix, pages 25-26.) Further, on cross-examination by counsel for defendants below, Mr. Jackson testified that Mr. Troy was the sole licensee under the said license for Morehead City. (Appellees' Appendix, Page 1.) Petitioners made no attempt to prove the existence of the Morehead City license, except for the testimony of Mr. Jackson, and his testimony clearly establishes that Mr. Jackson personally held no interest in the Morehead City license.

Further, on page 3 of the petition, petitioners state that the District Court, after trial, "dismissed the complaint on the ground that the Davis patent is invalid." However, for the apparent purpose of convincing this Court that this case should be reviewed, it appears that the petitioners have deliberately failed to state that the District Court, whose decision was

affirmed by the Court of Appeals *in its entirety*, also held that "even if the Court is in error as to the validity of the patent * * * no infringement exists." (Appellants' Appendix, Page 16.) Accordingly, since the petition raises no question with regard to that part of the decisions of the District Court and the Court of Appeals with respect to the infringement issue, even a complete reversal of the decisions below on the questions raised by the petition would not permit the petitioners to prevail against the respondents. Petitions for writs of certiorari, as this Court has said before, are not granted merely to give the defeated party in the Court of Appeals another hearing. *American Construction Company* v. *Jacksonville, Tampa and Key West Railway Company*, 148 U.S. 372, 382. *Magnum Import Company, Inc.* v. *Coty*, 262 U.S. 159, 163.

OWNER OF TERRITORIAL LICENSE IS NOT ESTOPPED TO CONTEST VALIDITY OF PATENT WHEN ACCUSED OF INFRINGING ACTS OUTSIDE TERRITORY COVERED BY LICENSE

The first question involved in the present case that petitioners have urged should be reviewed is whether a party accused of patent infringement is estopped to assert the invalidity of the patent in suit as a defense when such party has taken a territorial license under the patent, and the party is charged with acts of infringement outside the territory covered by the license. The District Court held that petitioner A. E. Jackson, Jr. was not estopped by virtue of the license, and the Court of Appeals affirmed such decision. Petitioners urge that this Court should review the case because that part of the decision of the Court of Appeals with respect to the question of estoppel is in conflict with the decisions of this Court

in *United States* v. *Harvey Steel Co.*, 196 U.S. 310 and *Automatic Radio Manufacturing Co., Inc.* v. *Hazeltine Research, Inc.*, 339 U.S. 827, and also that it is in conflict with the decision of the Court of Appeals for the Seventh Circuit in *Sinko Tool & Mfg. Co.* v. *Casco Products Corp.*, 89 F. (2d) 916.

It is quite clear that the decision of the Court of Appeals in no way conflicts with the decisions of this Court in *United States* v. *Harvey Steel Co., supra,* and *Automatic Radio Manufacturing Co., Inc.* v. *Hazeltine Research, Inc., supra.* The question involved in those cases was whether in an action by a licensor for *non-payment of royalties* the licensee could assert the invalidity of the patent as a defense. It is true, of course, that in both cases this Court held that estoppel applied. However, in the present case, the action is based upon a charge that the Davis patent is being *infringed* by respondents. An action for non-payment of royalties and an action for patent infringement are totally different causes of action, the former being based upon an attempt to compel specific performance under the contract, whereas the latter is based upon the alleged commission of a tort. Therefore, the contention of petitioners that the decision of the Court of Appeals on the question of estoppel is in conflict with a decision of this Court is without foundation and, accordingly, there is no basis for a review of this case on certiorari on that ground.

Further, the contention of petitioners that the decisions of Courts below in this matter *conflict* with the decision of the Court of Appeals for the Seventh Circuit in *Sinko Tool & Mfg. Co.* v. *Casco Products Corp., supra,* has no merit. Apparently petitioners take the position that that part of Rule 19 (b) of the

rules of this Court, which refers to a decision rendered by a Court of Appeals being in conflict with the decision on another Court of Appeals *on the same matter,* is applicable to the present case and therefore constitutes a reason for this Court to review the case on certiorari. However, certainly the decisions of the Court of Appeals below and the decision of the Court of Appeals for the Seventh Circuit in the *Sinko Tool* case did not involve the same matter. In this regard, petitioners have cited certain decisions in the third paragraph on page 3 of the Petition, stating that such decisions related to cases in which this Court has granted certiorari to resolve a conflict between different circuits, but it should be noted that the *same* patent was involved in each conflict. Accordingly, it appears that no conflict between circuits regarding the same matter exists in patent cases unless the same patent is involved in the conflicting decisions. Obviously, the same patent was not involved in the *Sinko Tool* case and in the present case.

Moreover, the *same question was not* involved in the *Sinko Tool* case and the case at bar. The license in the *Sinko Tool* case was *not* restricted or limited as to territory. Therefore, the decision in the *Sinko Tool* case was not at variance with cases upon which both the District Court and the Court of Appeals based their decisions in the present case. (See *Tate* v. *Balto. & Ohio R. Co.,* 4 Cir., 229 Fed. 141; *Indiana Mfg. Co.* v. *Nichols & Shepard Co.,* C.C.E.D. Mich. S.D. 190 Fed. 579, 585; *Chance* v. *Lehigh Nav. Coal Co.,* D.C.E.D. PA. 25 F. Supp. 532, affirmed 3 Cir. 107 F. (2d) 1009; *International Burr Corp.* v. *Wood Grinding Service,* 2 Cir. 34 F. (2d) 905; *T. H. Symington Co.* v. *Nat'l Malleable Castings Co.,* D.C. N.D. Ill. E.D. 275

Fed. 564; *DeCew* v. *Union Bag & Paper Corp.*, D.C. N.J.; 57 F. Supp. 338.) The Court of Appeals in the present case pointed out that in the *Sinko Tool* case the defendant was operating under a license that was limited only in respect to the manufacture of a particular class of articles and, moreover, that the licensee *expressly agreed not* to contest the validity of the patent.

On page 9 of the Petition, petitioners state that the Court in the *Sinko Tool* case "* * * considered the same decisions as are cited by the Courts below but held them not applicable * * *." This statement is inaccurate. The Court in the *Sinko Tool* case did not consider *DeCew* v. *Union Bag & Paper Corporation, supra,* nor did it consider *Chance* v. *Lehigh Navigation Coal Company, supra,* both of which were directly in point inasmuch as the estoppel question involved in each of those decisions related to a territorial license. In the *DeCew* case, the license pertained to the use of several patented inventions by the licensee in its mills *at Hudson Falls, New York.* The suit for patent infringement was based upon alleged acts of infringement committed by the defendant in its mills *at Savannah, Georgia.* The Court in the *DeCew* case, citing *Tate* v. *Baltimore & Ohio Railway Company, supra,* held that the defendant was not estopped under such circumstances, and under the settled law, to assert an otherwise available defense. Further, in *Chance* v. *Lehigh Navigation Coal Company, supra,* the plaintiff attempted to invoke an estoppel against the defendant in view of a license under which the defendant was licensed to use the patents involved *at a particular colliery* owned by the defendant, and the suit for infringement pertained to the use of the licensed patents *at collieries other than the one*

covered by the license. In that case, the Court held that the defendant was not estopped to contest the validity of the patents under such circumstances, citing among other decisions *Tate* v. *Baltimore & Ohio Railway Company, supra,* and *Indiana Manufacturing Company* v. *Nichols & Shepard, supra.*

Also, on page 3 of the Petition, petitioners state that the Court of Appeals below followed the rule in the *Indiana Manufacturing Company* v. *Nichols & Shepard, supra,* and that a contrary rule was expressed by the Court of Appeals for the Seventh Circuit in *Sinko Tool & Mfg. Co.* v. *Casco Products Corp., supra.* However, Judge Lindley clearly pointed out in the *Sinko Tool* case that the facts in that case and in the *Indiana Manufacturing Company* case were readily distinguishable, particularly since the licensee in the *Sinko Tool* case *had agreed not to sell the licensed article in an excluded field.* The Court further pointed out that when the licensee invaded the excluded field, he was greeted by *an estoppel of his own creation* and by his agreement recognizing the same.

In addition, on page 3 of the Petition, petitioners contend that the distinction the Court of Appeals made between the *Sinko Tool* and the *Indiana Manufacturing Company* cases with respect to an express agreement not to contest the validity of the licensed patent is a distinction without merit inasmuch as this Court has ruled that such an agrement does not affect the question of estoppel, citing the decisions of this Court in *Edward Katzinger Co.* v. *Chicago Metallic Mfg. Co.,* 329 U.S. 394, and *Scott Paper Co.* v. *Marcalus Mfg. Co.,* 326 U.S. 249. However, the respondents wish to point out that in *Edward Katzinger Co.* v. *Chicago Metallic Mfg. Co., supra,* this Court did not make any

ruling on the question of estoppel, holding that the *entire contract* could not be enforced because the contract contained a price-fixing clause in violation of the anti-trust laws. Further, the estoppel referred to in *Scott Paper Co.* v. *Marcalus Mfg. Co., supra,* pertained to the estoppel of an *inventor who sold his invention and prospective patent rights to the plaintiff.* The situation is quite different when the question of estoppel relates to the *sale* of an invention by the *inventor* as compared with the grant of a license. The estoppel peculiar to a license agreement is coextensive only with the mutual rights of the parties as set forth in their agreement and does not extend beyond the limits fixed by the agreement. However, the estoppel of the vendor of a patent against attacking the validity of such patent relates to a matter of fair dealing on the part of the vendor, as this Court so stated in *Scott Paper Co.* v. *Marcalus Mfg. Co., supra.* Moreover, in passing, it should be noted that in the *Scott* case, this Court held that it was proper for the defendant in that case, even though it was his invention that was *sold,* to show by way of the prior art that he was making what was taught by the prior art, and even though the effect of such a showing was to reduce the validity of the patent to naught. In the present case, respondents' attack upon the validity of the single claim of the Davis patent is based upon expired U. S. patents together with foreign patents which the public is free to make, use or sell.

Further, on page 8 of the Petition, petitioners state that if respondent A. E. Jackson, Jr. had repudiated his license he would be free to challenge the validity of the Davis patent. However, the shoe belongs on the other foot, since the Court of Appeals for the Fourth Circuit in *Tate* v. *Baltimore & Ohio R.R. Co., supra,*

said that when a licensor sues a licensee for patent infringement, the *licensor repudiates* the license. Accordingly, since petitioners have sued respondent A. E. Jackson, Jr. for patent infringement, petitioners have repudiated the license and by their own reasoning there seems to be no doubt that the validity of the Davis patent may be attacked by A. E. Jackson, Jr.

Finally, since the record is totally devoid of any proof of privity between A. E. Jackson, Jr. and Buck-Jackson Corporation or the partnership of H. L. Buck, Jr. and A. E. Jackson, Jr., the question of estoppel does not exist insofar as the corporation and the partnership are concerned.

Accordingly, it is contended that the foregoing clearly demonstrates that the decisions of the Courts below do not conflict with the decision of a Court of Appeals of any other circuit. Since there is no conflict, there is no basis for certiorari. *Phillips Petroleum Co.* v. *Esso Standard Oil Co.*, 91 F. Supp. 215; 85 USPQ 128.

INVALIDITY OF THE DAVIS PATENT

The purported question set forth in the petition with regard to the conclusions of the Courts below that the Davis patent is invalid are actually immaterial and should merit no consideration, since petitioners have apparently conceded that the finding of no infringement by the District Court, which finding was affirmed by the Court of Appeals, settles the infringement issue of the case. Thus, if there is no infringement, the question as to whether the Davis patent is valid or invalid is academic. In *Triplett* v. *Howell*, 297 U.S. 638, this Court said that it is not required to answer questions that are academic.

Further, this Court said in *Universal Oil Products Co.* v. *Globe Oil & Refining Co.*, 322 U.S. 471, which case has been cited in the brief of petitioners, that:

> "Where the questions presented by the contested claims of infringement and validity are purely factual, this Court ordinarily accepts the concurrent conclusions of the District Court and Circuit Court of Appeals in these cases."

Petitioners seem to be merely asking for an opportunity to re-try the present case. This Court in *United States* v. *Oregon State Medical Society*, 343 U.S. 326, indicated that it has no desire to re-try factual issues.

Further, it appears that the contentions in support of the petition do not comply with Rule 23 (j) (2) of this Court in that such contentions are not set forth in the body of the petition. However, be that as it may, the fact that petitioners have gone to such lengths to show that the decisions of the Courts below on the question of the validity of the Davis patent should be reviewed by this Court compels respondents to respond in kind.

With respect to the conclusions of the Courts below that the Davis patent is not valid, petitioners contend that the District Court and the Court of Appeals did not determine the validity of the Davis patent in accordance with 35 U.S.C. 103, since they made no finding as to whether the differences between the subject matter sought to be patented by Davis and the prior art relied upon by respondents would have been obvious at the time the invention was made to a person having ordinary skill in the art to which the subject matter pertains. However, there can be no question but that such a finding is inherent in the conclusions

of both Courts below. (Appellants' Appendix, page 16, and Petitioners' Appendix, page 5a). In both instances the Courts found that the subject matter of the Davis patent lacked the exercise of inventive faculty and cited *Interstate Rubber Products Corp.* v. *Radiator Specialty Co., Inc.,* 4 Cir., 214 F. (2d) 546, which case was decided by the same Court of Appeals. In the *Interstate Rubber* case, the Court of Appeals had occasion to consider 35 U.S.C. 103 and pointed out that the statute had not changed the rule applied by this Court in *Great A & P Tea Co.* v. *Supermarket Equipment Corp.,* 340 U.S. 147, and the Court of Appeals further stated that 35 U.S.C. 103 merely codified the law laid down by the Courts in the past. There can be no doubt that the finding of the Courts below that the Davis patent was invalid because it did not involve the exercise of inventive faculty is the ultimate conclusion that would result from a finding that the differences between the subject matter sought to be patented by Davis and the prior art relied upon by respondents would have been obvious to a person having ordinary skill in the art to which the subject matter pertains.

Petitioners' contention that the Courts below failed to make a specific finding in accordance with 35 U.S.C. 103 is a belated attempt to effect a re-trial of the issue. The record clearly shows that petitioners made no objection to the finding of the District Court as to the invalidity of the Davis patent on the ground of non-conformity with 35 U.S.C. 103 when the case was before the Courts of Appeals.

Incidentally, it is true that in *Gentzel* v. *Manning, Maxwell & Moore, Inc.,* 108 USPQ 353, the Court indicated that 35 U.S.C. 103 requires a somewhat more lenient standard of patentability, but it should be

noted that the petitioners conveniently omitted from the sentence of the decision quoted on page 12 of the petition, the most significant portion of the sentence which reads as follows:

> "* * * will not save this weak patent in a crowded field, since whatever advance plaintiff may have made over the prior art is both obvious and slight."

With respect to the contention of petitioners that the prior art specifically referred to by the Courts below does not pertain to the same subject matter as the Davis patent, such a contention is hardly worthy of a reply. The King, British Patent No. 28,007 (following page 50, Appellants' Appendix), is a golf course structure, and so is the U. S. patent to Malloy, No. 1,625,265 (following page 50 of Appellants' Appendix). The distinctions between the Davis structure and the structures of the King and Malloy teachings are the same as those petitioners sought to make in the Courts below, but the Courts found otherwise. The Malloy patent pertains to a "Golf Court" as the title of the invention implies. The petitioner says it is a table like a billiard table, but obviously the element 2 as a base or foundation. In lines 46 and 47 of the Malloy patent, the element 2 is described by the patentee as a bed or foundation. The Malloy patent standing alone renders the claim of the Davis patent invalid. Further, while the King patent pertains to a golf teeing mat, it is certainly analogous to the Davis structure. The Courts below found that the King patent taught all the features of the Davis patent except the use of a separate guard rail and the securing of the guard rail on top of the marginal portion of the carpet to serve as a supplemental fastener for the felt or fabric covering.

CONCLUSION

There is no basis for certiorari in this case with respect to the decision of the Court of Appeals on the question of estoppel, inasmuch as the decision is based upon well settled law of the Fourth Circuit and other Circuits to the effect that a licensee whose license is restricted as to territory is not estopped to contest the validity of the patent when charged with acts of alleged infringement occurring outside the territory covered by the license. The decision of the Court of Appeals in the present case is not in conflict with any decision of this Court or any decision of another Circuit Court.

There is no basis for certiorari with respect to the conclusion of the Court of Appeals that the Davis patent is invalid, since that is a factual issue which the Court of Appeals determined in accordance with well settled law, and this Court ordinarily accepts the concurrent conclusions of the Courts below when the questions presented are purely factual.

Further a review by this Court of the questions presented in the petition would be purely academic. Inasmuch as the Courts below also concluded that the respondents have not infringed the Davis patent, even if this Court were to reverse the ruling of the Court of Appeals that the Davis patent is invalid, petitioners still would be unable to prevail against respondents, because petitioners have not assailed that part of the decisions of the Courts below.

Therefore, denial of the petition for a writ of certiorari is respectfully urged.

JOHN H. LEWIS, JR.
Attorney for Respondents
1406 G Street, N.W.
Washington, D. C.